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Summary of Developments in Major Problems of United States Foreign Policy

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The general outline of the Summary is keyed to the outline in Part III of "Major Problems of the United States Foreign Policy, 1947—A Study Guide." Variations in this outline may occur from time to time with changes in the course of current history and the resultant shifts in the problems confronting the United States. Any major variations of this kind will be noted in the Introduction to each issue of the Summary.

The material in this Summary is based on publicly available official documents bearing on the events recorded and on information contained in selected American and foreign newspapers. Every effort is made to verify the accuracy of the statements made.

This publication is a part of a broad program of research and education in international relations, recently inaugurated by the Brookings Institution and focused on the current foreign policies of the United States. The program is being undertaken by the staff of the Institution's International Studies Group. The Summary is prepared by Jeannette E. Muther assisted by Constance G. Coblentz, Marie J. Thresher, Frances M. Shattuck, Tatiana Buzanova, and Maxine Lybarger, under the guidance of the principal members of the research staff.

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INTRODUCTION

During October, all developments in the major problems of United States foreign policy were overshadowed to a great extent by the announcement from Moscow on October 5 of the organization of a Communist Information Bureau--the "Cominform"--with headquarters in Belgrade. This development, which had taken place "at the end of September in Poland," was widely regarded as meaning the virtual re-establishment of the Communist International--the "Comintern"--dissolved early in 1943, even though the new organization comprised representatives of the Communist parties in only nine countries--the Soviet Union, France, Italy, and all of the countries, except Albania and Finland, regarded as being in the Soviet Orbit. It was stated in the communiqué issued from Moscow that the action was taken to combat the "imperialistic policies" of the United States and Great Britain and that a call was issued to all Communist parties to "place themselves in the vanguard of the opposition against the imperialistic plans of expansion and aggression in all its manifestations." A tightening of communist controls in Eastern Europe was clearly indicated by the flight of Mikolajczyk, the Peasant party leader, from Poland on October 25, and the opening of the trial of the Rumanian Peasant party leader, Maniu, in Bucharest on October 27.

The outlines of another new major problem for United States foreign policy appeared to be emerging during the month--the possibility of concerted diplomatic action against the Soviet Union and the states in Eastern Europe by the Latin American republics. Chile expelled the diplomatic representatives of Yugoslavia on October 9 for subversive activities and Yugoslavia immediately broke diplomatic relations with Chile. Two weeks later Brazil broke diplomatic relations with the Soviet Union because of Soviet press attacks on Brazilian President Dutra, and Chile--on the same day--broke relations with both the Soviet Union and Czechoslovakia. Costa Rica formally announced that it supported the Brazilian action, and although there were widespread reports that both Brazil and Chile were urging Argentina to follow their policy, the latter had not severed relations with the Soviet Union by the end of the month.

A major step in implementing the Marshall plan occurred on October 23 when President Truman, after conferring with Congressional leaders of both parties, called a special session of the Congress to meet on November 17 to consider an interim aid program "to meet the crisis in Western Europe." The President indicated that several countries would be unable, without some form of immediate aid, to purchase abroad the food and fuel essential if their people were to survive the coming winter, and in this connection he mentioned especially France and Italy. The seriousness of the European situation had also been emphasized in the speech of King George VI reopening the British Parliament on October 21 and in the Parliamentary debates that followed.

The lengthy Geneva Conference on international trade and related economic matters ended on October 30 with the signing of the final act by 23 nations. This act involved 123 separate trade agreements among the participating nations covering 45,000 separate tariff items. Publication

of the lists of tariff concessions was scheduled for November 18, and many of the new lists were expected to become effective January 1, 1948. At the same time it was announced that 32 nations had accepted invitations to the Havana Conference, to open on November 21, for the purpose of considering the establishment of the proposed International Trade Organization as projected by the Geneva Conference. Among the nations that had so far refused invitations to the Havana Conference, however, was the Soviet Union.

Throughout October the United Nations General Assembly continued its second regular session in New York City. By the end of the month the Assembly itself had completed action on the Greek situation by establishing a "border-watch" commission--in which the Soviet Union refused to participate--but had not condemned outright Albanian, Yugoslav, and Bulgarian interference in the Greek situation as the United States proposed. Assembly Committee action had also been completed on the United States proposal for a United Nations Commission to supervise the election and establishment of a provisional Korean government and on a considerably modified version of the Soviet Union's "war-mongering" resolutions. Proposals for the partition of Palestine, in which both the United States and the Soviet Union announced during October that they concurred, and for the establishment of an Interim Committee of the Assembly were still under active consideration. By the end of the month, however, the Assembly had not yet taken up such major political questions as the modification of the veto question, the international control of atomic energy, and the regulation of conventional armaments.

From the standpoint of an official, over-all view of United States foreign policy, attention should be called to the publication, under the date of October 20, of "Aspects of Current American Foreign Policy" (Department of State Publication 2961). This 60-page statement deals with peace-making and occupation, the United Nations, support of free nations, European recovery, international economic policy, dependent areas, armaments and atomic energy, and the Inter-American System. Copies can be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for 20 cents.

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I. PROBLEMS OF THE PEACE SETTLEMENTS

During October many developments and events were already pointing toward the crucial meeting of the Council of Foreign Ministers scheduled to begin in London late in November 1947. British concern with the possible outcome of this meeting and with the early conclusion of the remaining peace settlements especially was expressed by King George VI in his speech at the reopening of Parliament in London on October 21. In this connection the King said:

"... It is my earnest hope that the forthcoming conference of Foreign Ministers will result in a measure of agreement heading toward a democratic and self-supporting Germany which will not threaten world security, and to the satisfactory settlement of the international status of Austria."

With respect to the Far Eastern peace settlement, the King also said:

"I trust that a treaty of peace with Japan which will contribute to the welfare of all countries in the Far East may be concluded at an early date. ..."

A. PEACE SETTLEMENT NEGOTIATIONS

1. Germany

Removal of Plants from Anglo-American Zone

Increasing German protests against the plan for removal of plants as reparation, based on the Anglo-American Level of Industry Agreement of August 29, led U.S. Military Governor General Clay to issue a stern warning on October 1 that "if we have declared that a plant is to be dismantled, then it is to be dismantled," and that deliberate resistance might lead to British and American reluctance to continue food imports. The protests were based in part, the press stated, on German belief that the occupying powers had over-estimated the industrial capacity of the bi-zonal area and that there was, in consequence, danger of unemployment. Clay expressed the view, however, that the Germans would be fully occupied for the next five or six years in utilizing the capacity remaining to them, which offered them a reasonable standard of living.

Clay announced on the 6th that a compromise had been reached on a long-standing dispute with the Soviet Union over payment for reparation from the western zone of Germany--the British and American authorities, on behalf of the Inter-Allied Reparation Agency, agreeing to accept a Soviet offer of reciprocal payment in wheat, timber, and other products. Soviet refusal to pay for shipping and packing costs of the goods to be dispatched was not settled, and Clay said the matter was to be brought before the Council of Foreign Ministers in November. The Soviets also insisted on their right to pay with commodities from their occupation zone, although it was understood, news accounts said, that the first shipment would be

sent from the Soviet Union. Clay emphasized that the Western Powers "decided to take the commodities offered by the Russians only as an interim measure" and were "accepting deliveries without agreeing in principle."

In line with earlier disclosures of trade union opposition to the removal of plants as reparation, news reports of October 15 said it had been revealed that the combined trade unions of the Ruhr had issued "secret instructions" to their members to adopt an attitude of passive resistance toward dismantling operations.

The next day (16th) Military Government officials of the combined zone made public the list of plants scheduled for removal. Instead of the 1600 listed under the former level-of-industry plan, only 682 were specified for dismantling, 302 of which were armaments plants. 294 of the 682 plants were in the Ruhr area. Of the total number of plants to be delivered as reparation, the value of which was said not to exceed 1 billion dollars, 25 per cent were destined for the Soviet Union and Poland, while the rest were to be distributed among the 17 member states of the Inter-Allied Reparation Agency. The American Military Government's Economics Director said that the dismantling decision "opens the way for the resumption of normal allocations to the U.S.S.R."

An outcry from all sectors of German opinion followed publication of the definitive list of plants to be taken away. It was urged that removal of some of the large plants would result in the ruin of many smaller undertakings, and that, while the justice of paying a certain amount of reparation was not disputed, it could be more effectively paid out of current production. It was also held that a longer period than the two weeks provided for should be allowed for appeals against the dismantling of a particular plant. Leading politicians protested against a policy of dictation instead of negotiation, while the chairman of the Christian Democratic Union declared that "the projected plundering of German industry" had "as little connection with the right of the people under the Hague Convention and other peace treaties as that already undertaken in the confiscation of German patents." Communist criticism followed the lines of a Moscow broadcast, which described the program as being designed "to destroy such peace industries as compete with Britain and the United States."

Lieutenant-General Sir Brian Robertson, deputy Military Governor of the British zone, held long discussions with German leaders on October 19, and, while the British gave no official details of the talks, the press reported Germans who participated as indicating that the Military Government did not intend to adhere to an absolutely strict enforcement of the fourteen-day limit on appeals, but that demonstrations would not influence the implementation of the program--Regional Commissioners having been instructed on the action they should take if German officials could not be persuaded to co-operate by negotiation.

British Foreign Secretary Bevin defended the dismantling policy before the House of Commons on October 27. While stating that it was an integral part of the reparation policy, he pointed out that only 50,000 persons were affected out of a total population of 23 million. He considered that the smaller allies whose countries had been devastated by the Germans were entitled to these plants, but he assured the Germans that,

subject to the reservation of a few plants which were subject to a Four Power decision, there would be no more dismantlings.

Soviet Attacks on American Policy

Several instances of an intensified Soviet campaign in Germany against American policy in Europe were reported in the press during October. On the 1st, General Clay announced that he had protested to Soviet Commander Marshal Sokolovsky against a violent attack on American bi-zonal policy by the head of the Russian information control service, which, in violation of the quadripartite agreement, had been made before a German audience. In addition, Clay revealed in his semi-monthly report, published on October 5, that he had found it necessary to protest three times during September against anti-American articles and cartoons appearing in the Soviet-licensed German press. On the 9th, the Socialist-Unity party announced its full support of the new international Communist organization set up at Belgrade, while Marshal Sokolovsky issued an order on October 10 offering incentives for increased labor productivity which the press in the Soviet zone described as rejection of imperialistic foreign aid programs in favor of reliance on self-help.

Replying in the Allied Control Council to Clay's protest on the 1st of the month, Sokolovsky said on the 20th, according to press reports, that he saw no objection to the speech referred to which was not official and which criticized not the United States Military Government but "the reactionary intrigue of American monopolies." Further, he charged that, in spite of his protests, almost daily attacks were published on the Soviet authorities in the United States zone.

On the 28th, Clay expressed himself as dissatisfied with Sokolovsky's reply and announced the intention of the Military Government to combat Communistic propaganda in Germany by aggressive tactics. In future, he said, "we are going to attack" ideas in which Americans do not believe, instead of refraining from discussion of controversial matters as in the past, and added that "unfavorable comparisons" would no longer be avoided. He admitted that the new program might "lead to new expenditures" and declared: "Very obviously the support of the American Congress in this program is important and we are going before Congress shortly for more money." Clay said he had not discussed the new policy in Washington.

Saar Election

At an election for members of a Landtag held in the Saar on October 5, an overwhelming vote was cast for those parties pledged to ratify the Constitution, which provided for economic fusion with France. Over 90 per cent of the electorate voted, 48 out of the 50 seats going to the three parties favoring economic integration (28 to the Christian People's Party alone), while the Communists, the sole group opposing such integration, received only two seats.

When asked at a press conference on the 6th why the people were not given an opportunity to vote on the Constitution itself, as in other German states, Governor Gilbert Grandval replied that "there were such complex and difficult questions involved that it was considered that the population was incapable of deciding on them through a referendum."

Among the benefits which could be anticipated from economic unification with France, the Governor listed: replacement of the present currency by the French franc; some improvement in the food situation; and complete freedom of the press. He pointed out, however, that the date of unification depended on the decision of the Council of Foreign Ministers.

2. Japan

Price-Wage Fixing Policy

Developments during October demonstrated the difficulties faced in maintaining a policy of price and wage stabilization. On the 5th, the Government advised a conference of Prefectural Governors, which had gathered to decide on the allocation of the rice quota among the districts of Japan, that responsibility for this task would in future be undertaken by the central administration rather than by local groups. This action was fully supported by the Supreme Commander, who, through a member of Headquarters natural resources section, told the conference that General MacArthur was determined to collect the food quotas. He warned that failure to respond would be likely to disqualify Japan from receiving imported supplies. The difficulty of inducing farmers to surrender their produce to the Government instead of selling it in the black market was indicated in a resolution adopted by the Governors' conference on the 6th, in which they asked "that the Government fix a new price for rice and take effective measures for delivery to the producers of fertilizer, farm implements, clothes and other materials to maintain farm living standards and promote the willingness of the farmers to deliver their rice."

On the 21st, according to the press, the Government decided to increase the price paid to the farmer for rice by nearly 40 per cent, in addition to paying him a subsidy for fulfilling his quota.

Meanwhile, although no official strikes had been declared, large numbers of government employees had been absenting themselves from work in protest against the wage-fixing policy. On October 22, the Government issued a statement warning that it was prepared "to take action against such conduct." Nevertheless, according to news accounts, absenteeism continued to increase, while strong criticism of the Government's action was expressed by the Congress of Industrial Organizations, the Communist Party, and the Government Communications Workers Union. The chairman of the Congress of Industrial Organizations declared on the 23rd that "the CIO is absolutely opposed to the 1800-yen level and we are launching a movement to increase it." On the 27th, the majority of Tokyo's postal and telegraph workers, whose refusal to report for work had been the immediate cause of the Government's action, returned to their jobs--but only following a promise by the Cabinet Secretary that the salary level might be reconsidered.

Peace Treaty Developments

Chinese Premier Chang Chun told the People's Political Council on October 18, the press reported, that in addition to demanding a large share in Japan's reparation payments, the Chinese Government would ask for the return of the Ryukyu Islands at the Japanese peace conference.

U. S. Acting Secretary of State Lovett told a news gathering on the 22nd that there was a possibility of beginning treaty talks this year and that Maxwell Hamilton, an expert on Far Eastern affairs, had been recalled from his post as Minister to Finland in connection with preparations for the discussions. Should such a conference materialize, Lovett said, Hamilton would serve as deputy to the Secretary of State in the negotiations.

Reiterating a statement made during September Dr. Wang Shih-chieh, Chinese Foreign Minister, in a press interview on October 8, urged that further efforts be put forth to bring the Soviet Union into participation on the "long-delayed" conference to draft the peace treaty with Japan. With a view to breaking the United States-Soviet deadlock, Dr. Wang suggested that decisions be by a majority vote of the eleven countries that had taken an active part in the war against Japan, but requiring the concurring votes of the Big Four in the Pacific War--the United States, the Soviet Union, China, and Great Britain.

3. Austria

Conclusion of Treaty Commission's Work

The Yugoslav political representative in Vienna presented a note to the Austrian Treaty Commission on October 2, according to news accounts, requesting that his Government be given an opportunity to present its views on reparations and changes in Austrian frontiers. This action was said to have had the full support of the Soviet representative, who had also asked for consideration of Yugoslavia's claims during September. However, the request was apparently again turned down by the Western Powers--a press report from Belgrade on the 9th quoting a Foreign Office spokesman as saying that refusal to hear the Yugoslav case was due to Anglo-American projects for the "creation in Austria of a base for imperialistic plans."

The Austrian Treaty Commission, having failed to reach agreement on the disputed articles of the draft peace treaty, decided early in the month to turn its efforts to drafting a joint report on its activities for submission to the November meeting of the Council of Foreign Ministers. Austrian Premier Karl Gruber, speaking before a meeting of the Catholic People's Party on October 5, expressed his disappointment at the Commission's failure to achieve results. He asserted that "in five minutes one could effect a treaty if one really desired it." He was said to have protested the continued presence of foreign troops on Austrian soil as "a legal breach of our status as a liberated country," charging that the Soviets intended to stay in Austria and to justify their stay by making it "the scene of an attempted Communist plot involving the alleged discovery of reactionary conspiracies." He accused the Communists of having "been engaged since the breakdown of the Moscow Conference in a general offensive against democratic institutions, and in ruthless internal aggression," and urged that Austria's neighbors and the Soviet Union should remain outside its internal political struggles.

On October 8, as the Commission was preparing to bring its work to a close, the French delegate put forward a compromise proposal on the question of German assets which, the press reported, was sympathetically

received by the American and British delegates and which the Soviet delegate promised to study "most carefully." This proposal was said to aim at settling reparation claims by allocating to the Soviet Union a part interest in the Danubian Steamship Company and the Austrian oil industry and commuting all other claims to German assets for a sum to be determined, which would be repaid by the Austrian Government over a period of years.

The Commission concluded its meetings on October 11, at which time the U.S. Department of State summarized its work in an announcement which said in part:

"At the conclusion of the Moscow Conference (March-April 1947) the Council of Foreign Ministers had reached agreement on the Preamble and 33 out of 53 Articles in the Austrian Treaty. The twenty disagreed Articles involve five basic issues: the Austro-Yugoslav frontier; displaced persons; military and air restrictions; German assets (Article 35); and property of United Nation nationals (Article 42). Through a subsidiary body, the Committee of Experts, the Treaty Commission was to give special consideration to Articles 35 and 42 and to the establishment of concrete facts. ...

The Treaty Commission did not agree on a text of Article 35 for recommendation to the Council of Foreign Ministers, and the positions of the respective delegations on the main points of difference were in general reaffirmed. The Treaty Commission was able, however, to achieve a common approach on certain limited aspects of the German assets problem, and its discussions have defined the issues in such a manner as to facilitate the consideration of the principal differences by the Council of Foreign Ministers meeting in London on November 25. The many papers of the Treaty Commission setting forth concrete facts and the numerous discussions of specific cases of assets have made it possible for the separate delegations to draft comprehensive reports as a basis for renewed considerations of this difficult problem at London."

The State Department concluded by expressing regret at "the undue delay in reaching agreement" and declaring that "in the hope of obtaining an Austrian Treaty at the earliest possible date ... the United States will make every effort at the forthcoming meeting of the Council of Foreign Ministers to resolve those issues which have become a matter of international concern."

Protests Against Soviet Actions

Soviet action in Austria drew protests during the month from the other occupation authorities and from the Austrian Government. On October 13 the Soviet Military Government dismissed from their posts the police chiefs of the three principal cities in their zone. A government communique of the 14th revealed that a personal appeal to the Soviet High Commissioner by Chancellor Figl for their reinstatement had been rejected. A news source of the 21st said that the Minister of the Interior and his Secretary of State had offered their resignations against this infringement of Austrian sovereignty but that Chancellor Figl apparently felt the time had not arrived for a clash with the Soviet authorities and they had been

persuaded to remain in office. The next day (22nd), according to press accounts, the Government received a vote of confidence in Parliament in which it was directed to request the Allied Council to adhere to the terms of the Austrian Control Agreement, particularly in the matter of dismissal of Austrian officials in the Soviet zone.

At a meeting of the Allied Control Council on October 24, further efforts were made by the Western Powers to induce the Soviet authorities to agree to the abolition of censorship controls and to permit Austria to retain the products of its industry. The Soviet representative rejected a proposal made by the other three Powers that full freedom of communication should be restored, declaring himself ready to consider only the lifting of censorship on internal telegrams. A protest against export of Austrian oil drew the reply that the Soviets were acting in accordance with the decisions made at Potsdam, while efforts to obtain the return of several thousand trucks said to be missing and to persuade the Soviet authorities that Austria should be allowed to retain the products of its glass industry were equally unfruitful.

The U.S. Department of State announced on October 30 that the United States Ambassador in Moscow had been instructed to protest to the Soviet Foreign Office against the seizure on August 1 of the British-American owned oil refinery at Lobau in eastern Austria by Soviet occupation authorities. The British also made similar representations. This seizure had been the subject of earlier protests by these two Powers in the Austrian Treaty Commission and the Allied Control Council.

4. Korea

Soviet Proposal for Withdrawal of Troops

The Soviet delegate on the Joint Soviet-American Commission on Korea had put forward a proposal on September 26 that United States and Soviet troops should be withdrawn from Korea at the beginning of 1948 to give the Koreans an opportunity to form a government themselves. The following day, an order had been issued over the North Korean radio instructing Leftist Peoples Front agencies in the American as well as the Soviet zone to conduct a vigorous propaganda campaign against United States policy and in furtherance of the Soviet cause, and to seek the establishment of a Communist government immediately following the departure of the occupation troops.

A partial text of this order, published on October 3, urged that the Soviet's "sincere efforts and policy to establish a united democratic Korea" be highlighted and compared with the "reactionary American warmongering policy"; that the "achievements in north and south Korea during last year" be explained so that "everyone will recognize that while north Korea is now owned by the Korean people, south Korea is owned by malicious reactionary American imperialists."

On October 9, Soviet Foreign Minister Molotov wrote to U.S. Secretary of State Marshall pointing out that the United States delegation to the Joint Commission had not replied to General Shtikov's proposal for withdrawal of troops from Korea and declaring that failure to do so would "delay the solution of the Korean problem."

As the United States Government held the view that nothing further could be achieved by the Joint Commission and had referred the problem to the United Nations (September 17), the U.S. delegate to the United Nations forwarded the Soviet proposal for troop withdrawals to the Secretary General on October 17 for consideration by the General Assembly. At the same time a resolution containing the suggestions the United States intended to submit to the Assembly for solution of the Korean problem was enclosed, the text of which follows in part:

"The General Assembly ...

"Believing that the national independence of Korea should be re-established and all occupying forces should be withdrawn from Korea at the earliest practicable date;

"To this end, Recommends that the occupying powers hold elections in their respective zones not later than March 31, 1948, under the observation of the United Nations, as the initial step leading to the creation of a National Assembly and the establishment of a National Government in Korea

"Further recommends that immediately upon the establishment of the National Government ... that Government will constitute its own national security forces and will arrange ... [for] withdrawal from Korea of the armed forces of the Union of Soviet Socialist Republics and the United States;

"Resolves that the responsibilities assumed by the United Nations under this Resolution should be discharged by a United Nations Temporary Commission on Korea ... [which] shall (1) be present in Korea during the elections in each zone with the rights of freedom of travel and observation throughout all of Korea, (2) be available ... in connection with elections, the organization of the National Assembly, formation of the National Government and the conclusion of Agreements for the withdrawal of the occupying forces (3) report to the General Assembly ... and make recommendations ... concerning further United Nations action in maintaining the independence of Korea."

The United States Government delivered its reply to Molotov's letter of the 9th on October 18th in a note pointing out that "the problem of setting up an independent government for a unified Korea" had been placed on the agenda of the United Nations General Assembly on September 23 and declaring that "in the opinion of the United States Government the question of withdrawal of occupation forces from Korea must be considered an integral part of the solution of that problem."

Discussion in the General Assembly

The Political Committee of the United Nations Assembly began discussion of the problem of Korean independence on October 28. The U.S. delegate introduced the resolution which had been made public on October 17. The Soviet delegate, while emphasizing that he considered the placing of the matter on the Assembly agenda an "unjustifiable and illegal act," submitted the Soviet proposal for the simultaneous withdrawal of United States

and Soviet troops and, further, asked that the following resolution should be adopted:

"Inasmuch as the Korean question, which is before the General Assembly, is primarily a matter for the Korean people itself and concerns its freedom and independence, and recognizing that this question cannot be correctly and fairly resolved without the participation in the discussion of representatives of the indigenous population, the First Committee resolves:

"To invite elected representatives of the Korean people from northern and southern Korea to take part in the discussion of the question."

The American position on the question of withdrawal of troops from Korea was set forth in the following terms by the U.S. delegate when introducing the United States resolution:

"The United States Government is anxious to withdraw from Korea all of its occupation forces. But it believes that such withdrawal must be accomplished in an orderly manner after some machinery has been provided which will make possible the transition from two widely different types of government to a single united government which will be representative of Korean people. It would be unrealistic to suppose that without such machinery Korea could in fact become, peacefully, an independent and unified nation."

The United States delegate also maintained that it would be impossible to settle in New York the problem of establishing who were the true representatives of Korea, but agreed to support the Soviet proposal if the election of representative Koreans were supervised by a United Nations commission. He therefore proposed the following addition to the Soviet resolution:

"That in order to facilitate and expedite such participation and to insure that the Korean representatives will in fact be duly elected by the Korean people and not mere appointees from military authorities in Korea, there be forthwith established a United Nations Temporary Commission in Korea, to be present in Korea with right to travel, observe and consult throughout Korea."

The United States resolution was approved by the Committee on the 30th, by a vote of 41 to 0, the Soviet Union and its five satellite members refusing to vote. A Soviet motion that the Committee should adopt the proposal as originally submitted by the Soviet delegation was rejected by a vote of 35 to 6, ten members abstaining, while a new Soviet proposal that the Korean proposal should be dropped was defeated by 33 to 6, with twelve abstentions. The Soviet delegate informed the Committee that should the plenary session of the General Assembly uphold the decision of the Committee and establish the proposed commission, the Soviet Union would not participate in the commission's work.

B. IMPLEMENTATION OF PEACE TREATIES

1. Italian Treaty

a) Colonies

Foreign Ministers' Deputies Meeting

A conference of the Big Four Foreign Ministers' Deputies began in London on October 3 to consider the future of former Italian colonies. The chief representatives named were United States Counselor in London, Waldemar Gallman, in the absence of Ambassador Lewis W. Douglas, French Ambassador Rene Massigli, Sir Noel Charles as British Deputy, and Soviet Ambassador Georgi N. Zarubin.

There was almost immediate disagreement among the group on two issues. The Western powers favored the sending of one commission of investigation to ascertain the views of the inhabitants of the former Italian colonies of Eritrea, Somaliland, and Libya, while the Soviet Union desired that two commissions be sent. The second issue concerned a definition of "interested governments," which, under the terms of the Italian peace treaty, would be entitled to state their views on the colonies question. The United States suggested that "interested governments" be only those nations that had participated in fighting on the Allied side in the North African campaign, as well as countries having territorial claims. Under this proposal, Australia, Belgium, Czechoslovakia, Egypt, Ethiopia, Greece, India, New Zealand, Pakistan, Poland, and South Africa, as well as Italy, would have qualified as "interested" parties. The Soviet Union voiced the opinion that "interested governments" should be those Allied and Associated Powers that had signed the peace treaty with Italy, in addition to those making territorial claims. Under this plan, the Ukraine, White Russia, Canada, Brazil, Yugoslavia, China, and the Netherlands would also have qualified for participation in discussions. On the 8th, the Soviet definition of "interested governments" was accepted--this including all countries signatory to the Italian treaty, including Pakistan, and the three countries with claims, Italy, Egypt, and Ethiopia.

On October 10, the United States and Britain agreed to a Soviet suggestion, concurred in by France, that only the Big Four powers (rather than the nineteen "interested governments") determine the size, composition, and instructions for the proposed Commission of Investigation to be sent to the colonies--at which time the Soviet Union withdrew its demand that two commissions be named.

Invitations to the nineteen "interested governments" asking for their views on the future of the former Italian colonies were sent from London on the 20th, with replies requested within a two-week period.

On the same day, the Commission of Investigation was formally set up by the deputies. It was agreed that their task would be to collect and supply the necessary data on the question of disposal of the former colonies, as well as ascertaining the wishes and views of the local inhabitants on economic, political, and social conditions. It was stated that the Commission, scheduled to meet in London, would leave Great Britain during the first week in November to visit the areas in question.

II. ECONOMIC AND SOCIAL ISSUES

President Truman, in his message to the final session of the New York Herald-Tribune Forum on October 22, outlined again the United States' attitude regarding Europe's economic problems in relation to the broad world picture. The President said:

"In the coming weeks and months this country will be faced with some weighty and difficult decisions pertaining to Europe's economic problems. On these decisions will depend in large measure the future pattern of our relations with Europe and, indeed, with the world at large. . . .

"Our deepest aspiration is for a peaceful and stable world, a world in which all nations can enjoy freedom and security and can make their maximum contribution to the progress of civilization.

"In the annals of this progress there are no more glorious pages than those written by the peoples of Europe. A great portion of our contemporary civilization takes its origin from their genius and their effort.

"At present many of them have been brought low, in varying degrees, by the effects of a devastating war. In this condition they are unable to play their traditional part in world affairs. They are looking to us to assist them to overcome the weaknesses and difficulties with which they are afflicted.

"There can be no doubt as to the interest of our people in European recovery. There can never be a stable world until the peoples of Europe, who have so much to offer, are in a position to make their full contribution to world stability. And without that stability this nation cannot know full peace or full security.

"But we must be very careful to see that the steps we take will really serve the end we have in view. We must face the fact that we alone cannot rehabilitate Europe and that our efforts will be useful only if they are intended to supplement a sincere and effective effort of the Europeans to help themselves. We must be sure, moreover, that what we are undertaking to do is within the limits of our own strength and does not run counter to the health of our own economic life."

A. RECONSTRUCTION AND DEVELOPMENT

1. The Marshall Plan

Food Conservation Program

The Citizens' Food Committee which President Truman had set up toward the end of September was facing the urgent task of persuading the American people to save 100 million bushels of grain in the coming months.

This represented the difference between the 570 million bushels which Europe was expected to require from the United States and the 470 million it was estimated would normally be available for export.

Following a week of meetings between the Food Committee and the White House, together with many discussions with various grain-using organizations, the campaign was launched on October 5 in a nation-wide broadcast by the President, Secretary Marshall and other members of the Cabinet, and Food Committee chairman, Charles Luckman. President Truman told the people that "the battle to save food in the United States is the battle to save our own prosperity and to save the free countries of western Europe." He endorsed a program outlined by Luckman which called for a reduction in the grain fed to livestock and poultry and in the amount used for industrial purposes, and urged the individual citizen to eat no meat on Tuesdays and no poultry and eggs on Thursdays. The President also emphasized the necessity of saving food to keep down prices. While admitting that exports had some influence on the cost of food, he denied that they were a controlling factor. One of the causes of high prices, he said, was gambling in grain, and he warned that if the grain exchanges refused to co-operate in checking such speculation, the Administration might find it necessary to limit the amount of trading.

Giving further emphasis to the critical world food situation, Sir John Boyd Orr, Director General of the Food and Agriculture Organization, stated on the 6th to the Economic and Financial Committee of the General Assembly that in the next twelve months there would be more persons dead from lack of food in Europe and Asia than by military deaths during any year of the war. He urged the delegates of the fifty-seven nations attending the Committee meeting to use their influence to have the United Nations undertake "concrete" international action to aid the starving peoples of the world. Orr said that, in his view, if Europe could not be handled as a unit, plans such as the Marshall proposals were needed for Eastern Europe, the Middle East, and also for Asia and the rest of the world--in fact, the development of an over-all world recovery plan to be administered by the United Nations.

During the month, several programs for consumers and grain-using industries had been announced which were calculated to effect considerable savings. A shutdown of distilleries began on October 25 which alone was estimated to conserve 10 to 20 million bushels of wheat. On the 29th, Luckman announced a plan to bring together all federal and private agencies concerned with agricultural production in a unified effort to save grain. He stated that "full and direct participation by agriculture as outlined in this program will complete the committee plan to put into effect the three-way voluntary program of food conservation by the consumer, the farmer, and industry." Luckman said that it was imperative to complete the grain conservation drive by January 1 to save people in Europe from starvation and expressed the view that "with continued co-operation of all people, of industry, and of agriculture," this goal should be reached.

Interim Aid

President Truman, in a letter dated October 1 to the chairman of the House and Senate Foreign Affairs and Appropriations Committees urged that these bodies should meet "at the earliest possible date" to consider measures for the provision of interim aid to Europe. He declared:

"Political groups that hope to profit by unrest and distress are now attempting to capitalize on the grave fears of the French and Italian people that they will not have enough food and fuel to survive the coming winter."

On October 9, President Truman at a news conference said every effort was being made to find funds for those European countries whose dollar exchange was practically exhausted. Sir Stafford Cripps, the newly appointed British Minister of Economic Affairs, had stated on the 8th that, by such "expediencies" as drawing on the 400 million dollars remaining from the United States loan, Britain hoped to be able to tide itself over until next June, provided assistance under the Marshall Plan was forthcoming by then. He warned that without such assistance the country faced further import cuts in food and tobacco and possibly raw materials. (Food and tobacco cuts were actually put into effect almost immediately. On the 23rd as a further measure to conserve dollars, Cripps announced that for the time being there would be no more imports of tobacco from the United States and that there would be an immediate reduction in the ration of certain food items, such as sugar, bacon, and eggs.) On the 9th, Britain signed an agreement with South Africa under which (subject to ratification by the South African Parliament) South Africa was to make a loan to the United Kingdom of 320 million dollars, and to undertake to replace with gold any withdrawals of foreign exchange from the sterling area reserves.

The situation in France was more desperate. Director of Economic Affairs Herve Alphand declared on the 8th that France would have used up all its dollar funds by about October 15 and would be compelled to discontinue purchases of wheat, coal, and fats from the United States. On the 13th, however, the Export-Import Bank announced that it would permit 93 million dollars of a long-term reconstruction loan to France to be diverted to the purchase of urgently-needed coal and raw materials, while Truman disclosed on the 15th that the Army had been authorized to make a payment to France of 50 million dollars for procurement services. In addition, France was scheduled to receive 100 million dollars under a decision announced by the Tripartite Gold Commission on the 17th by which gold assets looted by the Germans were to be restored to their original owners. Under this decision, also, nearly 30 million dollars was being set aside for Austria and 4 million dollars for Italy.

U. S. Secretary of State Marshall gave added emphasis to the seriousness of the economic situation on the Continent. Speaking before the Convention of the Congress of Industrial Organizations on October 15, he said:

"Europe is entering on another long winter. As has already been described by numerous observers and authorities, the situation is

precarious. Outside assistance is absolutely necessary to prevent a really dangerous deterioration in health and morale before any carefully determined long-range program can possibly be put into effect.

"There now exists the urgent necessity for positive interim measures to prevent a fatal deterioration in Europe--political, economic and psychological--before Congress has sufficient time to consider and act upon a possible long-range plan for American assistance."

Krug Report

On October 18 an announcement was made by President Truman that he had received a report from Secretary of the Interior Krug on national resources and foreign aid which concluded that the country could support a large-scale foreign aid program. A partial text of Truman's statement follows:

"This report is the first in a series of three reports being prepared by special committees which I appointed in June to study the relationship between the interests of our domestic economy and the extent to which the United States can aid friendly foreign countries in programs of self-rehabilitation and reconstruction.

"The task assigned Secretary Krug's committee was to explore the state of our resources and report upon their adequacy to contribute to foreign reconstruction. This report covers the physical aspects of the subject ...

"Secretary Krug reports that on the whole our national resources are physically sufficient ... to support a considerable foreign aid program. ... But other vitally important factors must be weighed before we can determine the extent to which these resources can be shared. The Council of Economic Advisers will shortly report on ... the economic impact on the United States of aid to other countries. ... Secretary Harriman's committee will report on the character and quantity of our resources which may be safely and wisely utilized in a program of foreign assistance. ...

"Aided by these three studies and by information assembled by the State Department concerning the needs of other countries and the measures of self-help and mutual help being taken by these countries, I shall prepare recommendations to the Congress on the nature and extent of a balanced foreign aid program."

In a foreword to his report, Krug said:

"This review of our resources position shows that, from the standpoint of preserving both the national security and our standard of living, our economy in general is physically capable of providing the resource requirements of a considerable program of foreign aid. It points out, however, that certain shortages resulting from our own current high levels of consumption will be intensified. These shortages, particularly in such essential commodities as wheat, steel,

coal, nitrogen fertilizer and certain items of industrial equipment, present the immediate problems of supply and consequent economic repercussions to be faced during the next year. Upon our intelligent handling of them will depend our own continued well-being as well as the effectiveness of the foreign aid program. To a considerable extent, the supply impacts can be minimized by establishing effective procedures for the program for careful screening of requirements and for the channeling of supplies so that they will be effective in maintaining our own production and in providing the means for rehabilitation abroad.

"This study also makes clear that with or without a foreign aid program, this country faces a pressing urgency for expanding its conservation practices such as those for preserving the fertility of its soil and the future of its forests and for extending its efforts to discover and develop new sources of supply for many of its basic raw materials. It points to the need for stepping up our research into new and better methods of using low-grade ores, by-products and what are now waste materials. The beneficial effects upon our resource base of such programs for the sound conservation and utilization of our resources will far exceed the drains that might result from a foreign aid program."

Extracts from the report pointed out:

"The supply difficulties and danger spots are not, however, generally attributable to exports. ... Total exports are only a fraction of our gross national product. The studies of specific commodities also reveal that, in most instances, exports are not a large claimant for the current high levels of production and, indeed, are not relatively as large as before the war. They also show that most of the supply problems are short-run problems that will tend to diminish throughout the five years under study both because increases in some of our domestic capacities are being undertaken and because the foreign aid needs for many critical commodities can be expected to taper off sharply as production abroad gets under way. ...

"Though many items are in scarce supply in the United States ... the only serious problems of supply to be anticipated in connection with a foreign aid program will be those which are related to shortages that are world-wide in character and that result chiefly from the wartime destruction or devastation of productive facilities. These major world shortages consist of foods, especially cereals and, more particularly, wheat ... fertilizers, especially nitrogen fertilizers ... coal ... steel ... and mechanical equipment, with special emphasis on farm machinery, freight cars and mining machinery.

"Wheat. We can continue to supply large quantities of wheat for foreign aid without substantial reduction of food supplies in this country or undue drain on our soil resources, assuming average weather and our continued ability to plant in the Great Plains. The immediate problem, however, is meeting European requirements in the current crop year when adverse weather has reduced American corn supplies and

European grain production; the competition of the heavier European demands with our substitution of wheat for corn results in complex price impacts. The success of measures to assure equitable distribution of food supplies in this country and to minimize price effects will therefore determine the extent of our current exports and the levels of future exports if adverse weather conditions are encountered.

"Nitrogen Fertilizers. Unless special measures are taken, American nitrogen capacity will expand only enough to keep pace with domestic requirements. Considering transportation and cost, it appears desirable to export nitrogen rather than to continue to ship the much greater tonnages of equivalent food from the United States. ... It is understood, however, that considerable nitrogen capacity is currently unutilized in Western Europe, primarily for lack of coal. The gains to be made from full utilization of this capacity, by making coal supplies available, may be much greater than those which can reasonably be expected from the actions necessary to increase exports of nitrogen from the United States.

"Coal. The problem of producing enough coal to meet our own requirements and those for export is not a coal resource problem but primarily a transportation problem. We must make most effective use of available transportation equipment and arrange for the procurement of coal for foreign aid under procedures that will minimize the impact on the domestic market.

"Steel. Maintenance of substantial European demands for American steel will aggravate a serious domestic supply situation. Industry and government cooperation is needed to make raw materials, including scrap, available and otherwise to assure full utilization of existing capacity. Continued consideration must be given to increasing domestic capacity for future needs in such a manner as to minimize the effect of taking steel from current critical uses. In the light of the world steel shortage, supplies made available for export should be channeled to the most important uses and through government-industry cooperation, supplies should be assured for essential needs here at home. Foreign aid requirements should be carefully screened and procurement for export should be organized to reduce the impact on domestic supplies and prices to a minimum.

"Industrial Equipment. One of the most important items of possible foreign aid requirements for industrial equipment is freight cars, especially open tops, for the transport of coal. ... Mining machinery ... is another serious shortage. ... To a considerable extent, the problem of making these items of equipment available both for export and for domestic demands is a result of the tight steel situation.

"For the most part, the supply impacts of the foreign aid program can be reduced by providing for its sound administration. They call for the effective organization of the purchasing procedures for foreign aid exports to create the minimum impact on the domestic economy and to assure the proper channeling of commodities in short supply to those uses where they will be most effective in the rehabilitation of

the European economy, assuming maximum 'self-help and mutual aid.' Cooperative arrangements with the countries receiving assistance will be necessary to assure that foreign aid purchases do not compete with each other and unduly aggravate domestic market conditions. Government-industry cooperation will be needed both for breaking domestic production and supply bottlenecks and for proper channeling of exports."

Role of the International Bank

On October 20 Robert L. Garner, Vice President of the International Bank, discussed "its relationship to the problem of rebuilding production, trade, and financial stability in Europe," in an address to the Thirty-fourth National Foreign Trade Convention in St. Louis. He said in part:

"Manpower is a bottleneck in Europe. There is a shortage of labor to perform the urgent tasks. This shortage could be met in part by more efficient utilization of labor, by reduction of the number of people unnecessarily employed in governmental and other non-productive pursuits, and by a greater mobility of manpower, in part across national borders. Moves toward the solution of this problem must be made by Europe itself; the problem cannot be solved by loans from America.

"The requirements for capital goods to rebuild, modernize and expand productive facilities constitute the field in which the Bank is most concerned. Even for this category of requirements our funds cannot be sufficient to do more than fill the most pressing needs. The estimate in the Paris Report on the Marshall Plan is that \$3,100,000,000 of industrial capital goods are required over the next four years. We have not yet gone far enough in our studies to justify an opinion on the reliability of this estimate, but we are obviously giving close attention to it.

"I think we must all realize that the Paris Report is merely an economic prediction. Covering the period of four years, it is necessarily general and lacking in preciseness. The form, the timing, the conditions, the means of implementation, all must be worked out. In Washington and elsewhere a tremendous amount of work is being done on every aspect of this problem and we in the Bank in close cooperation with many other agencies, are attempting to develop answers to the many questions.

"At the present time it is impractical to judge the validity of the estimates which have been submitted. Subject to much more detailed and continuing studies, I find that most of those familiar with the problem are in agreement that Europe requires substantial assistance if she is to increase production and regain stability; that it is essential that the assistance rendered be not too little, but that also it not be so much as to relieve Europe of making its own maximum effort. ...

"Returning now to the specific role of the Bank, I wish to reiterate that the Bank cannot act as a stop gap for emergency aid. We

cannot provide food and other sustenance items. It seems quite clear to us that further large scale loans for productive facilities must be integrated with what may be provided under the Marshall Plan. Even so, the Bank cannot supply the funds for all that is required in this category. We can only be a trail blazer, attempting to meet the most urgent and critical needs, in the hope that in increasing degree private capital and industry will step into the picture. ...

British Economic Policy

At the opening of Parliament on October 21, the King's address devoted attention to the serious economic situation:

"In the Session which opens today the nation is faced with grave economic difficulties affecting almost the entire world. Upon their successful solution depends the well-being of my people. My Government are determined to use every means in their power to overcome these difficulties. ...

"The first aim of my Ministers will be to redress the adverse balance of payments, particularly by expanding exports. This will demand increased production and the sale abroad of a larger share of output. The task to be performed by each industry has been set out and, in conjunction with all those engaged in industry, my Government will do their best to carry out these tasks. ...

"My Government will continue to participate in the work of European reconstruction put in hand in the recent conferences in Paris, and will do their utmost to forward the projects formulated at that meeting for the benefit of Europe and of the world as a whole.

In the debate which followed, Prime Minister Attlee declared, concerning the economic problem:

"With regard to the Marshall proposals, it would be fatal for us to have any wishful thinking and imagine that we could depend on some other help. We had to go all out on our own efforts. Whatever assistance we could get, we had to set our own house in order.

"We had to get increased production for home and export, increased exports directed to dealing with our balance of payments, colonial development in the interests of the people of the colonies and of this country and the world. We should have to have a reduction of some imports, redeployment of our resources at home, redirection and reduction of capital investment, measures to deal with inflation."

On the 23rd, in further debate on the economic program, Sir Stafford Cripps emphasized the seriousness of the balance of payments position, particularly with the dollar countries. He outlined plans for increasing home production of food and for expanding exports, but said that the country would be faced "with a very serious deficit over the next eighteen months, which, if no further steps were taken, would land us at the end of 1948 with our reserves exhausted to such a low level that we could hardly face

the continuing deficit through 1949 and until the longer term relief came from the measures already mentioned." He stressed that at the end of 1948 the British people "must be in a position of independence to follow out [their] resources to a still greater degree than anything so far arranged." It was therefore intended, he said, "to take additional steps to economize in dollars, and so conserve our reserves," and he announced a program for cutting dollar purchases in 1948 by more than 400 million dollars.

Call for Special Session of Congress

On October 23, President Truman called together Congressional leaders of both parties and communicated to them his decision to call a special session of Congress to provide emergency aid to Europe and to deal with the problem of high prices at home.

After the meeting, Truman made the following announcement:

"I have met this afternoon with a group of Congressional leaders. I presented to them detailed information concerning the alarming and continuing increase in prices in this country and the situation regarding the need for emergency foreign aid. I informed them that I had concluded it was necessary to convene the Congress on Monday, November 17.

"By that date the members of Congress who are now abroad obtaining first-hand information will have returned to the United States.

"There are two compelling reasons for convening the Congress at an early date.

"It is urgently necessary for the Congress to take legislative action designed to put an end to the continued rise in prices, which is causing hardship to millions of American families and endangering the prosperity and welfare of the entire Nation. When the Congress meets, I shall recommend to it suitable measures for dealing with inflation, high prices, and the high cost of living.

"It is also necessary for this Government to take adequate steps to meet the crisis in western Europe, where certain countries have exhausted their financial resources and are unable to purchase the food and fuel which are essential if their people are to survive the coming winter.

"It now appears that the minimum needs of France can be met with present funds only until the end of December, and that it will enter the new year without funds to pay for essential imports. Italy's needs are even more immediate, for Italy will require substantial assistance before the end of this year. Moreover, it appears that additional funds will be needed to maintain our position in occupied areas. It is clear, therefore, that Congressional action cannot be delayed until January.

"The convening of the Congress in November will also furnish an opportunity for it to speed up its consideration of the part to be

played by the United States in the long-range European recovery program. ..."

In a broadcast to the nation the next day, Truman gave further details of the situation which had arisen at home and abroad to make a special session necessary. He pointed out that within the United States the average price rise since the middle of 1946 was 23 per cent, food having risen by 40 per cent, and that the cost of living was still climbing. He denied that this rise was due to the foreign aid program, declaring that "with sound policies, we can protect our own standard of living and carry on a substantial foreign aid program at the same time." He outlined the objectives underlying the policy of economic assistance in these terms:

"We are following a definite and clear foreign policy. That policy has been, is now, and shall be to assist free men and free nations to recover from the devastation of war, to stand on their own feet, to help one another, and to contribute their full share to a stable and lasting peace. We follow that policy for the purpose of securing the peace and well-being of the world. It is nonsense to say that we seek dominance over any other nation. We believe in freedom, and we are doing all we can to support free men and free governments throughout the world."

On interim aid, he remarked:

"In advance of our decision on the long-range European recovery plan, we must help some nations through [the] immediate crisis. The most imminent danger exists in France and in Italy. If the economies of these countries collapse and the people succumb to totalitarian pressures, there will be no opportunity for them or for us to look forward to their recovery so essential to world peace. ...

"The French will need \$357,000,000 to carry them until March 31, 1948. ...

"Italy must have \$142,000,000 to carry her until December 31 and an additional sum of \$143,000,000 to get through the first quarter of 1948. ..."

Truman further emphasized in his broadcast that the convening of Congress "in no way [reduced] the necessity for pressing forward with our voluntary food saving program," declaring that "there will not be enough food unless we -- the people of the United States -- save vast quantities of grain."

Meeting of International Emergency Food Council

At the opening of the fifth annual meeting of the International Emergency Food Council in Washington on October 27, Secretary-General D. A. Fitzgerald told the 35-member body that as "grim" as the world food situation was today, it "could have been even worse but for the timely steps taken by Member Governments ... as early as the May meeting of the Council and again at the Special Cereals Conference in July." He pointed out that

although food production in this crop year would be only a little below last year it would be "appreciably" below prewar and that food consumption would be nearly 10 per cent less than prewar--despite the fact that the population of the world had increased 8 per cent. The report called the "heart" of the problem the 200 million bushel decline of food-grain production in Europe, and declines in other importing countries, including India, the reduced United States corn crop, and the European decrease in production of potatoes, hay, and pasture. Fitzgerald urged that, in the light of the "critical nature" of conditions, each country take steps to make certain "that no possible measure [had] been left untried in its efforts to maximize indigenous collection; that every effort possible [be] exerted to utilize fully other foodstuffs which [might] be available."

At an executive session (on the 27th), held to consider a recommendation that the IEFC should be continued until June 30, 1948, instead of December 31, 1947, as had earlier been determined, the Italian delegate stated the problem as follows:

"In the minds of all those who in the past have been dealing with the trying task of supplying food to hungry countries there is deep concern regarding the ability of the new World Food Council to discharge the responsibility of the IEFC without going through an interim period when there might be a dangerous breakdown in the handling of current and urgent affairs."

In the executive session, it was pointed out that the Food and Agriculture Organization had never been an operating agency, but rather an advisory one, and that its 18-member council, making up the new World Food Council, was not so set up as to carry on IEFC duties. As a consequence of this discussion, a resolution was voted upon, with 17 in favor, 6 opposed, 9 abstentions, and 3 absent. The resolution provided that the International Emergency Food Council request the World Food Council to advise it of the detailed plan for carrying out the vote of the Geneva FAO conference in August to take the IEFC into the FAO--keeping in mind the following recommendations of the IEFC to the FAO, as reported in the press of October 28:

- "1. That a committee be established by the FAO council which would have review functions for the commodity committees similar to those of the eight-member IEFC central committee.
- "2. That the functions of the commodity committees be continued. They allocate world foods in short supply.
- "3. That in view of the urgency of food shortage problems every effort be made to retain the expert professional administrative staff of IEFC.
- "4. That the present direct channels of communication between the commodity committees and secretariat on the one hand and the government representatives on the other be continued. IEFC countries feared slowdowns in 'going through channels,' as has been customary in the FAO."

In the final paragraph of the resolution, suggested by the Belgian Government, was placed a motion suggesting the retention of the IEFC as now constituted until the end of the crop year. This resolution was scheduled to be placed before the FAO Council meeting in Washington on November 5, after which the IEFC planned to hold another meeting to consider any possible FAO action.

2. International Long-Term Development

Agreements of the International Bank and Fund with the United Nations

The Soviet delegate to the Joint Economic and Financial and Social, Humanitarian, and Cultural Committee of the General Assembly in a joint meeting of these groups on October 13 protested that the United States had one-third of the votes in the International Bank and Fund. He charged that the United States wanted to utilize these organs as instruments of its foreign policy, and asserted that the draft agreements between these two agencies and the United Nations were "in flagrant violation of the United Nations Charter." The Soviet delegate said that, while the Soviet Union is not a member of the Bank or Fund, his group felt itself entitled to ascertain that agreements adopted by the United Nations were in accord with the Charter. On the matter of votes, he stated:

"This gives them [the United States] the right of veto. There is danger that the Bank and Fund will become concerns which are no longer international agencies, but merely branches of Wall Street. . . ."

"The activities of the Bank are subordinated to political purposes which make it the instrument of one great power, which doesn't wish the United Nations to have any influence in the field of international credit or finance. . . ."

It was also alleged that the Bank was promoting war against the Indonesians by giving a loan to the Netherlands Government, and was violating the Charter of the United Nations by attempting to "build up the Ruhr, the base of German military potential."

In answer to these charges, the United States representative stated that "no violation of the charter" was involved. He denied that the Bank had taken any action to rebuild the Ruhr, or that the Bank loan to the Netherlands in any way precipitated the Indonesian affair, pointing out that the Bank had already had a loan to the Netherlands Government of 195 million dollars under advisement "for many months" when the Indonesian crisis happened. The Soviet Union introduced a resolution declaring that the agreements between the United Nations and the Bank and Fund were not in accordance with the Charter of the United Nations, and asking that the Economic and Social Council negotiate revisions, but this was defeated by a vote of 29 to 5, with 12 abstentions. The joint committee then voted 39 to 4, with two abstentions, to sanction draft agreements under which the United Nations would not make recommendations on the Bank's loans or on the financial operations of the Fund. New Zealand, Byelorussia, the Ukraine, and the Soviet Union were opposed; Australia and Yugoslavia abstained.

Statement of Operating Policy of International Bank

Vice President R. L. Garner, speaking on October 20 before the International Finance Session of the Thirty-fourth National Foreign Trade Convention, described the policies of the Bank as follows:

"... The Bank is now an operating institution, and I believe that it is proving to be an example of practical international co-operation. After considerable delay it is now performing the work for which it was created, the making of loans for productive purposes. ...

"... One of the interesting elements of our loans are provisions that the Bank be supplied with a flow of pertinent information regarding the economic situation and developments in the borrowing countries, and for continuing consultation between the governments and the Bank on financial and economic matters. I am frank to say that it was not easy to get these principles ... accepted in our earlier negotiations. However, they have been accepted on the sound ground that the Bank is a cooperative international institution in which the borrowing members have both a financial interest and a voice, and that the Bank can therefore properly exercise these functions without infringement on the national sovereignty. ...

"We in the Bank realize that we must not permit the urgency of European problems to interfere with our activities regarding the sound development of the resources of our member nations whose economies are less fully developed. Of such areas, perhaps Latin America is especially important... . All of us are aware of the great resources of materials - copper, tin, iron ore, timber, oil - to mention a few - which in increasing degree are essential to the needs of American industry in peace as they proved vital during the war. On the other hand, there is a huge potential market for imported goods in this area.

"To an even greater extent than in Europe, the amount of its own funds which the Bank may have available for loans in connection with development in the still economically underdeveloped lands outside of Europe can only be a small fraction of what will be required. Experience shows that the sound progress of underdeveloped areas has been the result of a combination of their own resources and manpower with capital and know-how from the more mature and economically developed nations. ...

"However, the capital and know-how will not be available unless favorable conditions exist. Where, as in the case of a number of Latin American countries, credit has been impaired through failure to meet obligations, steps must be taken to restore this credit. These countries must put their financial houses in order to create the necessary confidence. They must offer a fair deal to foreign capital and management, at the same time that they insist that the latter refrain from the exploitation which in the past has not been unknown. Perhaps as an international organization the Bank may be of help to these countries in taking the necessary steps. ..."

B. COMMERCIAL POLICY

1. International Trade Organization

Signing of Final Act of Geneva Trade Conference

The final act of the Geneva Trade Conference was signed on October 30 by twenty-three nations, bringing to a close the longest economic conference in history. The twenty-three countries represented nineteen customs areas, inasmuch as the members of the Benelux Customs Union--Belgium, the Netherlands, and Luxembourg--signed separately, as did Syria and Lebanon, who form a customs union, and Pakistan as distinct from India. One hundred and twenty-three separate trade agreements--between nations that before the war had carried on three fourths of the world's trade--were involved in the final act. The agreement, covering 45,000 items, was termed by Acting U. S. Secretary of State Lovett as an "extraordinary accomplishment," and was hailed by President Truman as "a landmark in the history of international economic relations." The President maintained that:

"... Never before have so many nations combined in such sustained effort to lower barriers to trade. Never before have nations agreed upon action, on tariffs, and preferences, so extensive in its coverage and so far-reaching in its effects.

"In a world economic situation characterized until now by progressive deterioration, this agreement is heartening indeed. Viewed against the background of other plans for economic reconstruction, it confirms the general acceptance of an expanding multilateral trading system as the goal of national policies. By demonstrating the willingness of nations to attack their common difficulties in a spirit of co-operation, it gives ground for confidence that we shall succeed in solving the problems that are still ahead."

Publication of the agreement was scheduled for November 18, if all the key countries had signed by the middle of that month. The tariff concessions contained in the Act become effective on January 1, 1948, as well as all general provisions operative under existing national laws.

The Governments of Belgium, Canada, Luxembourg, the Netherlands, the United States, and the United Kingdom were signatories to a protocol binding them to put into effect by January 1 the new tariff schedules attached to the general agreement on tariffs and trade.

A State Department release of October 29, describing the evolution and significance of this final act, affirmed that:

"The negotiations leading to the agreement were conducted on a selective product-by-product basis. Action in individual products included substantial reductions in duties on some products, the binding of low rates of duty on others, and the binding of free entry on still others. Preferences affecting a

large part of our trade with countries in the British Commonwealth have been substantially reduced and preferences on a long list of products which we export to the various countries of the Commonwealth have been eliminated. Under the terms of the agreement, no new preferences can be created and no existing preferences can be increased.

"The concessions on tariffs and preferences contained in the agreement are safeguarded by general provisions that are designed to prevent participating countries from nullifying such concessions by resorting to other forms of restriction or discrimination. These provisions cover restrictive methods of customs administration, discriminatory internal taxes and regulations, import quota systems and exchange controls, and the operations of state trading enterprises. They require the general application of the principle of most-favored nation treatment in international trade.

"Concessions made by the United States in these negotiations are within the limits prescribed by Congress in the Reciprocal Trade Agreements Act, and all of the concessions contained in the agreement are subject to a provision required by American procedure under that Act. If, through unforeseen developments, a particular tariff reduction should increase imports so sharply as to cause or threaten serious injury to domestic producers, the country granting the reduction may suspend its operation in whole or in part. Other countries may then withdraw equivalent concessions so that the balance of the agreement may be restored. ..."

The State Department also announced that the details of the agreement would not be made public until it had been formally transmitted to the interested governments, translated into languages other than the official versions in English and French, and checked for accuracy. After these had been completed, simultaneous release was expected by the United Nations and the 23 signatory governments in their respective capital cities.

Havana Conference Arrangements

The signing of a special preliminary agreement by the United Nations and Cuba, outlining arrangements for the International Trade Organization Conference to open in Havana on November 21, was made public on October 25. It was said this would be the largest international conference ever held away from the United Nations headquarters, under the auspices of that organization. Word from London on the 29th disclosed that William L. Clayton, former Under Secretary of State for Economic Affairs, would head the United States delegation to Havana.

On October 30 (in Geneva) at the meeting called for the signing of the final act of the Geneva Trade Conference, it was announced that thirty-two countries had accepted invitations to the Havana Conference and that eight had declined, the latter being: the Soviet Union, the Ukraine, Byelorussia, Yugoslavia, Bulgaria, Saudi Arabia, Ethiopia, and Siam.

C. SOCIAL POLICY

1. Displaced Persons

British-Yugoslav Agreement

A British White Paper published on October 21 reported that an agreement between the United Kingdom and Yugoslavia had been signed at Bled on September 8, providing for the return of Yugoslav displaced persons to their country of origin. The declaration was made that the Government of the United Kingdom had agreed to take all possible steps to apprehend Yugoslav nationals whose surrender as collaborators with the Axis forces Yugoslavia had asked. The pact, to remain in force for twelve months, exempted those persons whose surrender had been finally refused by the United Kingdom. The British Government was also to undertake to remove from Austria to the British zone of Germany all Yugoslav nationals suspected of active assistance to the enemy during the war; all who could be proved to be members of any organization whose purpose was the overthrow of the Government of their country of origin by armed force; and all who had actively persuaded fellow nationals from returning to Yugoslavia.

This agreement, according to press coverage of October 28, amounted to a death sentence for hundreds of Yugoslavs in displaced persons camps in the United Kingdom occupation zones of Germany and Austria. It was stipulated in the agreement, however, that Tito's Government should provide a sufficiently strong case to warrant the surrender of the displaced persons requested.

International Refugee Organization

The fourth session of the Preparatory Commission of the International Refugee Organization opened in Geneva on October 21 with 13 of the 20 member nations in attendance. The principal purpose of the meetings concerned the formal opening of a movement to fix immediate quotas for the admission of displaced persons by United Nations' countries. The Executive Secretary, William Hallam Tuck, observing that resettlement could not be carried out on a basis of projects negotiated between individual governments and the IRO, declared: "Some form of decisive international action is necessary for the successful completion of the mission of the IRO."

Another IRO difficulty was pointed out by the chairman of the Preparatory Commission, Henri Ponsot (France) in his opening address. Observing that--despite the passage of twenty-one months since the first consideration of the IRO by the United Nations and of ten months since approval of the constitution by the General Assembly--only ten of the needed fifteen countries had ratified the constitution, he said:

"However great the Organization's responsibility, the main part of it rests on national governments represented. We expect to remain here ten days to consider the past three months' operations balance sheet and to give precise adequate instructions to the Executive Secretary. The hour is late and we are confronted with a very serious problem."

The Executive Secretary, in the course of his report on the status and activities of the IRO during its first three months as an operating agency, pointed out that an over-all first fiscal year deficit of approximately seven million dollars was to be expected--even if all signatories to the Constitution completed ratification and made their contributions in free currency.

On October 24, the Preparatory Commission announced that it had signed with the Italian Government in Rome an agreement on an international assistance program for refugees and displaced persons in that country. The agreement authorized:

1. The IRO to conduct activities in Italy connected with the care, repatriation, and resettlement of displaced persons.
2. The setting up of a joint committee, composed of government delegates and IRO representatives, to implement the agreement--with the Italian government acting cooperatively.
3. The care and maintenance of eligible refugees and displaced persons, administration of displaced persons' camps, the provision of facilities for repatriation, resettlement, and protection of legitimate refugee interests--all by the IRO.
4. The granting to the IRO by the Italian Government of the free use of such property as was considered necessary for the program, tax and customs exemptions on supplies imported by the IRO, and interest-free loan and transportation priorities for the movement of refugees.

Part of the agreement included a loan (interest-free) of one billion lire (\$2,500,000) from the Italian Government to the IRO to be used to care for 32,500 displaced persons in refugee camps in Italy.

The Deputy Executive Secretary of the Preparatory Commission in a speech on the budget at the October 25 meeting revealed that the IRO, in line with Tuck's statement on the opening day, planned to propose specific suggestions leading to acceptance of definite quotas for the admission of displaced persons by members of the United Nations. Press coverage of the 26th stated that the proposals had already been drafted, and covered three points as follows:

- "1. Setting of a deadline after which refugee status for IRO purposes could no longer be acquired.
- "2. The acceptance by each nation of a quota of the total number of persons to be resettled (estimated now at about 1,300,000).
- "3. Allocation to the IRO of a three-year budget covering all expenses necessary to liquidate the problem as thus defined."

To carry out the program envisaged by the Preparatory Commission, it was said that a special international conference would be necessary and that the delegates attending would need authority to bind their governments to quotas.

It was announced on the 30th that the secretariat had set up a new budget because of demands for decreasing expenditures. This budget cut allocations for repatriation by \$3,300,000, resettlement by \$4,500,000, care and maintenance by \$4,000,000, and administrative expense by \$2,000,000, making a total of \$13,800,000, which conformed to the original budget of \$115,600,000, approved by the Commission in the summer of 1947.

III. POLITICAL PROBLEMS

The basic issue confronting the United States in the whole field of international political problems was set forth by Secretary of State Marshall in his address to the national convention of the Congress of Industrial Organization at Boston on October 15. The Secretary of State declared:

"There is a danger that the individual man, whose well-being is the chief concern of all democratic policies, foreign or domestic, is being lost sight of in the welter of ideological generalities and slogans which fill the air. Generalities are frequently accepted as gospel truth without even a superficial examination of the validity of their basic tenets. Often they are intended to obscure the basic issue, which as I see it today, is simply whether or not men are to be left free to organize their social, political and economic existence in accordance with their desires; or whether they are to have their lives arranged and dictated for them by small groups of men who have arrogated to themselves this arbitrary power.

"This issue is as old as recorded history. But in the world today it has assumed more menacing proportions than ever before. The great enemy of democracy has always been the concentration of arbitrary power in a few hands.

"The particular theory used as a justification for the suppression and eventual elimination of civil liberties varies with the times. All such theories, however, contain within themselves the greatest of all historical fallacies, that in human affairs the end justifies the means."

A. POLITICAL INDEPENDENCE AND FREE INSTITUTIONS

1. France

De Gaulle Victory in Municipal Elections

Before the French municipal elections of October 19, both the extreme Right and Left were active in campaigning. Charles de Gaulle, at a gathering staged outside of Paris on October 5, represented his Rassemblement du Peuple Francais, and called upon the people to rally against the "Soviet menace." Speaking of the Cominform declaration of the 5th intended to combat United States and British influence in Europe, he said that there was "no freedom-loving man who [did] not hold the American policy to be salutary." De Gaulle declared: "Today we are in peril. We are tottering on the brink of an abyss which is financial, economic, and social. We are a country that is menaced."

As observers pointed out, the issuance of the Communist manifesto only 12 days before the nation-wide election put the Communist Party in the position of aggressive hostility to the Government--whereas before

it had professed to be "a party of the government," eligible for participation in coalitions. The French Communist view of the manifesto was revealed when on the 9th the Political Bureau, the directing body of the Communist Party, met and approved the anti-American declaration of October 5. A statement released by the Bureau said that it gave its "unqualified approval [to] the conclusions of that conference, notably [to] the declaration that sets forth the indispensable conditions for assuring the independence and sovereignty of nations and at the same time [warns the peoples] of the world against the adventures of American expansionism." Concerning the relation of France to the Cominform, the statement expressed the view that "the infuriated lying and contradictory comments upon the conference made by all the supporters of American reaction from the Reunion of the French People to and including Socialist leaders, emphasize the blow delivered to the imperialist plans for the subjugation of peoples."

On October 19, municipal elections were held in towns and villages in about 38,000 communes, with a second round of elections being held in smaller townships on the following Sunday. Two factors appeared especially significant in these elections: (1) the effects of the Belgrade Cominform; (2) the de Gaulle group. The political picture was made up of four main groups--the Communists at the left, de Gaulle's group at the right, with the Socialists and the Popular Republican Movement in between. When the results of the elections of the 19th were announced, the de Gaulle group had obtained about 40 per cent of the total votes cast, having gained chiefly at the expense of Georges Bidault's MRP. In the municipality of Paris, de Gaulle received an absolute majority, while the Communists and affiliates received 29.3 per cent in these first elections. Unofficial returns on October 27 from the run-off election indicated that the Socialists led, the Communists came second, and were followed by the MRP, and the Radicals. These elections, it was pointed out in the press, had less national political significance than those in the larger towns.

As soon as the results of the first ballot in the municipal elections were known, the leaders of the governmental parties sent their resignations to Premier Paul Ramadier, inasmuch as it was considered that as a result of the election and the loss of so many votes by Government parties the Cabinet no longer had the confidence of the country. On the 22nd, Ramadier announced the formation of a new Cabinet to be submitted to the National Assembly. The Parliament had been scheduled for recall about November 15, but this date was advanced to October 28 as a consequence of the election. Although the ministers had resigned in a body, this was not technically a resignation of the Government, and the Cabinet was re-formed in much the same way as before.

De Gaulle delayed revealing plans consequent upon his victory, but Ramadier, in a statement to newsmen on October 23, underscored two menaces to the stability of France--one being "the movement that seeks to transform the workers' demands into a political force" (a reference to the Communist-controlled Confederation of Labor) that would undermine the French currency and economy; the other "an agitation that tends to upset the political foundation that the country has given itself, thus [being] counter to the sentiment of liberty and fidelity to institutions that is

so deep in the French people," (an allusion to de Gaullist attacks on the new Constitution).

Communist leaders, in turn, on the 24th denounced Ramadier for "preparing the way for de Gaulle," and said they would resist him "on all fronts" should a "trial of force" arise.

The first instance of a de Gaullist expression of views came on October 25 in a speech made in Digne by Jacques Baumel, assistant secretary of the movement, who declared that de Gaulle's presence "at the head of France [might] be expected in a short time," and that he would take power only through "Republican legality." Baumel did not explain the method of "legality" to be used by his group. On the 27th de Gaulle released a statement in Paris in which he asked for a national election and the dissolution of the National Assembly as soon as possible. He said in part:

"In the face of dangers that threaten France from within and without, the nation has just shown in what direction it is turning.

"The municipal elections have supplied the occasion, even though local conditions, on which they were based, tend to restrain and to divide the expression of general opinion. ...

"Each day, indeed, will show better that the separatists have none of the attributes of a French party, but are only the delegates of a foreign dictatorship for which human misery is only the springboard for its implacable domination.

"The groups that are parties, properly, see their downfall accelerated. ...

"An immense force has arisen. The Reunion of the French People, born only six months ago, whose organization is only beginning and which had not presented lists in a great number of localities, gathered to itself on its first trial and at all levels in the national community many more votes than all the other parties put together.

"Those are the striking facts. French women and French men now discover the route to public salvation. Abroad, and notably in all of this torn and miserable Europe, hope is reborn in the souls of those who do not despair of France.

"At the same time there is clear condemnation of a regime of confusion and division, which has plunged the state into powerlessness. ...

"In this situation there is no other duty and no other democratic solution than to have recourse to the country. That is the legitimate source--which is to say, the vote of the people, whence the indispensable authority of the powers of the Republic must be urgently drawn.

"The National Assembly must be dissolved as soon as possible, but not without instituting an electoral regime that would be directly founded on the majority in order to furnish the future Parliament with a coherent majority.

At the meeting of the National Assembly on the 28th, Ramadier, in the course of his appeal for a vote of confidence, delivered a declaration in which he reaffirmed the intention of his Government to: (1) stabilize wages and prices and check inflation; (2) balance the budget; (3) create a European economy if possible without the exclusion of any country. He said:

"There have been strikes. I would like to think that there will not be any more of them, or that if others do occur, they will center around real labor, professional and trade-union issues. ... I hope that the only slogans put forward will be those originating with the working class; not orders coming from beyond our frontiers that introduce into certain circles points of view that are not inspired by those of the French Republic. ...

"There is now a new party in France. The fact that it has elected candidates has made us aware of its existence. I think that we shall soon know its parliamentary strength and also its program. ...

"We have the Republic and liberty to defend; we shall defend them as long as we have your confidence."

The French Communist leader speaking for his party in the Assembly attacked Ramadier, declaring:

"France has a new Government which continues the preceding one. The new team intends to pick up where the other left off. ... To combat reaction we need something other than a government that declares itself against Communism. We shall not vote for a government of inefficiency and disorder."

The President of the Chamber, Edouard Herriot, read a motion of confidence introduced by the Socialist group, which stated:

"The National Assembly, having heard the ministerial declaration, expresses its confidence in the capacity of the Government to ensure the economic recovery of the country and the defense of liberty and of the Republic."

In a vote on this motion on the 30th, Ramadier received 300 votes, nine more than his necessary margin, which was called in the press "a highly qualified and provisional endorsement condemning his Government to a short and effective life." Most of his support came from the Socialists and the Popular Republican Movement; the extreme Right and the Communists voted solidly against the Government.

New Economic and Financial Program

Premier Ramadier, in a broadcast to the French people on October 9, announced a financial, fiscal, and economic program designed to halt inflation and aid in the stabilization of currency. At the time of his address press coverage stated that, as of the 2nd, the increase in banknote circulation had reached an all-time record high, illustrating the

dangerous inflationary spiral in France. The program outlined by the Premier included:

1. Cuts in departmental expenditures to below the present estimates of tax revenue for 1948 of 665,000,000,000 francs.
2. Plans for a reorganization of the tax system to increase receipts by 690,000,000,000 francs.
3. Projected reductions in state personnel, military expenditures and fiscal reforms.
4. The announcement that a series of decrees would be issued on the 10th, instituting those measures not requiring new legislation.

Ramadier told the French people that:

"The time has come to assure a total balance of the budget. Henceforth there will be only one budget without distinction between the ordinary and exceptional budgets.

"The only separated accounts will be for reconstruction of war damages, to be financed solely by bond issues without recourse to bank credits or Treasury loans.

"The budget, on the contrary, will be entirely financed by tax collections without recourse to banks or loans. Thus will be halted the Bank of France's advances to the state, which from month to month are causing circulation to rise."

On the 10th, the first decrees in the anti-inflation program were published. They provided:

- (1) For the postponement of all Government contracts for equipment and reconstruction until the budget has been determined.
- (2) For strict limitation on the number of automobiles maintained for public officials and the sale of 9,000 cars now used in the military service.
- (3) For a restriction on the quantities of gasoline allowed for Government and military purposes.
- (4) For the elimination of 1,300 jobs in the Veterans Ministry and a large cut in its appropriation and the abolition of a large number of military courts in Paris, in the provinces and overseas.

The report said that the financial state of France was such that it "would be useless to continue contracts for military and civilian equipment which are obviously beyond the nation's possibilities." Other decrees were in the hands of the Finance Commission to be submitted to the Parliament when it reconvened.

Spread of Industrial Unrest

Concurrently with the Government campaign to fight inflation, industrial unrest continued to spread. A general strike was called in Nancy, where between seven and eight thousand workers were reported out. Railway employees, in a claim for the 11 per cent wage increase granted by the Government to certain workers in August, protested against the Government's failure to raise their wages. The miners' federation rejected Government proposals on wages, and a national council of miners was scheduled.

On the 11th the transportation system of Paris, servicing four million persons, was threatened with stoppage after a dissident union of the Confederation Generale du Travail, a Communist-dominated group, had caused partial failure of service. Although the Confederation had not authorized the strike, it was forced to go along with the union in order to keep its hold over its members. The Government announced that it would meet no demands of this union and would deal only with representative union heads on demands for increased wages and reclassification of personnel. Ramadier denounced this strike as "a political maneuver," undertaken five days before the municipal elections. In a broadcast, he said that the strikers had demanded an advance payment on a wage increase anticipated from the commission to which the dispute had been referred.

By the 15th, Paris was swamped with strikes and the threat of strikes. The transportation tie-up continued; taxi drivers threatened a 24-hour strike in protest against the one third reduction in gasoline; three other labor disputes involved employees of the gas and electricity industries, the nationalized Renault works, and personnel of the Merchant Navy. A walkout of seamen and dock hands at French and Algerian ports was threatened on the 15th, even though negotiations were continuing for this group to have a 15 per cent wage increase. A slight break came in the transport disorder when independent and Catholic unions voted on October 16 to return to work. However, the unions affiliated with the Confederation Generale du Travail, representing two thirds of the strikers, refused to capitulate--and the transport strike committee accused the Government of attempting to make the subway strike into "a political issue to serve its reactionary election campaign and the campaign for submission to the pretended American aid." By the 17th the Government managed to settle the maritime dispute, but subways and busses continued inoperative. Seamen and dock workers received the 15 per cent pay raise they had demanded, subject to ratification by the local unions. Two days later the Ramadier Government said it was willing to negotiate on the transport workers claims for a 15 to 20 per cent increase, and on the 20th the strike was settled.

On the last day of the month, a Cabinet meeting was held to consider the continuing inflation and industrial unrest. Finance Minister Robert Schuman submitted a plan to reorganize the tax system. It provided for putting part of the burden on agricultural producers and for unifying the taxes levied on business corporations, as well as reducing slight income tax assessments.

Soviet-French Wheat Negotiations

On October 10, French officials announced that the Soviet Union had advised the French Government that it was willing to undertake negotiations looking toward the shipment of Soviet wheat to French in exchange for manufactured goods. It was said that a list would be drawn up of exports the French could offer for this grain. France had officially requested wheat on August 23, and had renewed the appeal several times with no reply from the Soviet Union on those occasions. Although France had stipulated 1,500,000 tons of wheat, the Moscow answer gave no clue as to the amount that might be forthcoming. It was said this quantity would fill almost three-fourths of French needs from abroad up to the 1948 harvest, and would reduce the dollar needs of France for 1948 by about \$150,000,000.

2. Italy

Further American Aid

Within the terms of the financial agreements reached between the United States and Italian Governments in January earmarking credits of 100 million dollars for financing the restoration and expansion of Italian foreign trade, the Export-Import Bank on October 1 revealed that 5.8 million dollars in credit had been granted to four shipbuilding firms in Italy. This grant was made for the purpose of enabling the companies to fill foreign orders and assist in the rehabilitation of the Italian merchant marine.

At a press conference on the same day, U.S. Acting Secretary of State Lovett disclosed that food, coal, and medicines to the value of 55 million dollars would be sent to Italy during October and November under the 333 million dollar United States foreign relief program. He said that December allocations had not yet been settled upon, and pointed out that:

"During the three months since July 1, when shipments under the Program were initiated, and up to October 1, the United States supplied Italy with \$35 million worth of essential commodities, making a total for the period July 1 through November 30 of \$90 million.

"The grain represents the full amount of allocations for shipment from the United States under the International Emergency Food Council allocations for these months and the coal shipments cover the essential Italian coal requirements which the Italians have been unable to finance. ..."

Threat of New Strikes

The month of October opened in Italy with a threat by the Rome Chamber of Labor to stage a general strike to enforce the demands of the peasants for the right to seize uncultivated lands. This was followed by a warning delivered in the Constituent Assembly by Communist leader Palmiro Togliatti that such labor unrest and agitation would continue until the Government included Communist and Socialist representatives. The Minister of Industry, Giuseppe Togni, speaking before the Assembly on the afternoon

of the 1st asserted that industrial production had risen from the February, 1946 level of 42 per cent of the prewar level to 68 per cent in June of 1947, and that figures for July and August when available would probably show an increase of 75 per cent. He, however, admitted that prices had continued to rise, and that speculation was widespread, but claimed the speculation was the result and not the cause of the increasing prices. In criticism of the leftist parties, he said that the Italian economic situation would not become better until agitations and strikes stopped. He also revealed that the Government favored the principle of a planned economy insofar as it related to orienting production of urgent necessities, but he did not accept the principle of bridling free enterprise with excessive controls and restrictions.

On October 18 the Italian Labor Confederation announced a twenty-four-hour general strike "as a first measure" of protest against the failure of industry to conclude a new labor contract with the metal workers and of the Government to give state employees automatic salary increases. The metal industries controversy has been carried on since the early part of 1947, but a settlement of the differences between state employees and the Government had seemed close when the strike announcement was made. The executive committee of the Labor Confederation decided to call the walkout despite the objections raised by Christian Democratic representatives, who pointed out the danger of such upheavals during the present economic crisis.

Return of Gold to Italy

Announcement was made on October 10 of the signing of an agreement in London by the Governments of the United States and the United Kingdom on the one hand and Italy on the other, whereby 28 million dollars worth of Italian monetary gold uncovered by the Allied military forces in Northern Italy on May 6, 1945, would be turned over to that country. A State Department press release stated that this gold "uncovered at La Fortezza [represented] almost the total Italian monetary gold stock remaining on Italian territory at the end of the war." The text of the agreement follows in part:

"The Governments of the United States of America and of the United Kingdom of Great Britain and Northern Ireland, on the one hand, and the Government of Italy, on the other, have agreed as follows:

"1. The gold which was captured at Fortezza ... shall be turned over to Italian Government now that the Treaty of Peace signed in Paris on February 10, 1947 has entered into force.

"2. The Italian Government will immediately appoint representatives to discuss with Allied military authorities the necessary details of transferring this gold from the custody of Allied military authorities to the custody of the Italian Government.

"The present protocol shall be deemed to have come into force on the day of the coming into force of the Treaty of Peace. ..."

A State Department spokesman on the 10th said that the return of this gold to Italy should help that country a great deal. It was pointed out that

it could be used to support the Italian currency or could be sold to the United States Government at \$35 an ounce, but the funds--however used--would give additional means of purchasing wheat and fuel to carry the Italian people through the winter.

Return of Italian Warships

Foreign Minister Count Carlo Sforza told the General Assembly on October 5 that the United States had given up its claims to Italian warships assigned to it under the Italian peace treaty. Officials in Washington confirmed the correctness of the announcement, which was received enthusiastically in the Assembly even by the Communists and Left-Wing Socialists. On the 7th the text of a message from Secretary Marshall to Sforza, confirming the news, was made public in Washington. It read in part:

"The Government of the United States has determined to decline to accept any of the Italian naval vessels allotted to it under the terms of the treaty of peace with Italy and of the Four-Power naval protocol of February 10, 1947.

"The United States Government has not forgotten the valiant services of the Italian navy in association with our own naval forces during Italy's co-belligerency. It is the desire of the Government of the United States that these former vessels of war be scrapped and utilized by Italy, under the terms of the protocol, as a contribution to the continued recovery of the Italian economy. ..."

Italian-Argentine Agreement

A commercial and financial treaty between the Italian and Argentine Governments was signed in Buenos Aires on October 13. The treaty granted Italy a loan of 700 million pesos (about 75 million dollars) to purchase food and raw materials in Argentina. The President of the Argentine National Economic Council declared that this was a part of the Peron plan for world reconstruction, which he called similar to the Marshall Plan. The agreement, similar to one signed with the Government of Rumania on the 10th, and to those signed with other Governments recently, provided:

1. Attempts to set up minimum annual quantities of exportable surplus grains, linseed oil, and meats.
2. Agreement by Italy to export to the Argentine bicycles, sewing machines, typewriters, automobiles, and other products.
3. The setting up of an export figure on wheat of 400,000 tons annually. (Observers in Buenos Aires believed that poor transportation facilities would make the meeting of this quota impossible.)

British-Italian Commercial Treaty

An official announcement from London on October 31 stated that an agreement to negotiate a treaty of commerce and navigation, to replace the Treaty of 1883 between the two countries, had been reached by Italian Foreign Minister, Carlo Sforza, and United Kingdom Foreign Secretary

Ernest Bevin. It was also disclosed that Great Britain was expected to act as the United States had done in returning to Italy a number of Italian naval vessels allocated to the United Kingdom under the Peace Treaty and the Four-power Naval Protocol of February, 1947.

A United Kingdom Foreign Office communique reported that Bevin and Sforza "found themselves in close agreement in their discussions of international affairs in general," and added that Sforza's visit to England "marked a new stage in the development of relations between Italy and the United Kingdom." Matters settled during the conversations included:

1. An increase in the functions of the Anglo-Italian Standing Economic Committee to the end that it would be able to consider all common economic and financial problems.
2. A decision that the Standing Economic Committee should meet at the earliest possible time before the first of January.
3. The determination to negotiate an Anglo-Italian cultural convention, providing for cultural exchanges between the two countries.
4. A decision to negotiate an Anglo-Italian civil aviation agreement, covering air services on a reciprocal basis between the two states, and the conclusion of an agreement for the mutual abolition of visas in the very near future.

In the course of the discussions, the communique revealed, the two Ministers had considered the statement in the report of the Committee for European Economic Co-operation to the effect that the United Kingdom would resume the export of coal after April, 1948. Bevin was said to have assured Sforza that Italy would receive a share of such exports.

3. Greece

General Assembly Action in Greek Case

Debate continued in the General Assembly Political and Security Committee during the first part of October in connection with United States and Soviet resolutions introduced in late September, on the Balkan issue. Charges of "intervention" by the United States in Greek affairs were reiterated by the states in the Soviet bloc, and the Greek Government was accused anew of responsibility for border incidents.

On October 4 the United States offered to accept a Belgian suggestion made on the previous day, "that before the Committee finally determined what it should say about the past conduct of Albania, Bulgaria, and Yugoslavia, we should find out what their intentions are regarding future co-operation in the work of the Assembly for peace and security in the Balkan area, and in particular, whether they will co-operate in carrying out such recommendations as may be made by the General Assembly with respect to the proposed special committee." The objective of the United States Government was said to be "to contribute toward the maintenance of peace and tranquility and to furthering friendly relations between Greece and her northern neighbors." It was therefore suggested that:

"... this Committee may at the time it considers appropriate ask the Yugoslav Delegation and the representatives of Albania and Bulgaria for an opinion on [the Belgian] suggestion that the proposal for a finding of responsibility, envisaged in the United States resolution be amended along the lines of the French proposal [made on September 29, substituting for the outright finding of guilt a recognition that the majority of the Investigating Commission had found that the three Balkan governments had aided the guerrillas, and calling upon them to discontinue such assistance in the future] provided that the Governments of Yugoslavia, Albania and Bulgaria would indicate their acceptance and their willingness to carry out the terms of the recommendations which the General Assembly may see fit to adopt."

This proposal was attacked on the 6th by Soviet Deputy Foreign Minister Vyshinsky as evidence that the United States did not believe in its own accusations and was seeking a middle course. He called for the withdrawal of foreign troops from Greece and assailed the earlier Belgian declaration that the idea of state sovereignty was "reactionary." Saying that "state sovereignty is a reactionary concept because it obstructs the 'progressive' movement of imperialism," he continued:

"This serves the interests of large capitalist monopolies, dreaming of world domination. Naturally, [the Belgian delegate] and all of his ilk cannot approve of the attitude of the representatives of those states who rejected all attempts to restrict, by means of various commissions and committees, state sovereignty and which restrictions Greece, for instance, of whose sovereignty very little indeed is left, is compelled to accept.

"Not a single state which respects its independence and national autonomy can accept such preaching, hostile to its interests."

On the subject of foreign intervention in Greek internal affairs, Vyshinsky said further that the question "is a much more far-reaching and important problem than the problem of border incidents or even that of the relations between Greece and her northern neighbors. The Greek question is a question of great politics leading up to problems, the solution of which involves the problems of world-wide importance. This is mainly due to the fact that at present Greece does not belong to herself and neither the Greek Government nor the public political circles who stand behind it, shape the Greek policy."

Closing the general debate on October 7, the Greek Minister of State asserted that the Greeks were united in their "abhorrence of dictatorship by any minority, left or right." He admitted that there were "imperfections in the internal affairs of Greece which call for improvement," but pointed to the recent change of government and its program of reform, including the amnesty. United States aid, he said, was not imperialism but constituted "the most typical case of application in practice of the solemn pledges" in the Atlantic Charter.

The Political and Security Committee began consideration of the United States resolution in detail on the 8th. Agreement was reached to

establish a "border watch" commission of the Assembly in Greece, as proposed by the United States; but the Soviet Union and the other nations in the Soviet bloc declared that they would not take part in selecting members nor in serving on the commission. The commission as finally constituted consisted of representatives from Australia, Brazil, China, France, Great Britain, Mexico, the Netherlands, Pakistan and the United States, with "seats being held open for Poland and the Soviet Union." The commission was also given the power to recommend the calling of a special session of the Assembly if it seemed urgent.

Agreement was also reached in the Committee to call on the four Balkan countries to co-operate in the settlement of the differences, to establish normal diplomatic relations, and to agree to study the question of voluntary transfer of minorities. However, the United States proposal, under which Yugoslavia, Albania, and Bulgaria would have been charged as guilty of aiding the guerrillas, was not approved in its original form. Instead, the resolution, as amended by both Great Britain and France, merely noted the report of the Security Council Investigating Commission in Greece and called on the three countries not to assist the Greek guerrillas.

On the 11th the full resolution was adopted by the Committee 36 to 6 in its amended form. The Soviet bloc voted against the resolution and the Arab and Scandinavian countries abstained. Committee action on the Greek question was completed on the 13th, when the Soviet resolution placing blame on Greece and calling for withdrawal of all foreign troops from the country was rejected by a vote of 40 to 6 with 11 abstentions.

A further Soviet attempt to impede the creation of a new Balkan commission was voted down in the Administrative and Budgetary Committee of the Assembly on the 18th, when the Soviet delegate introduced a motion to notify the Assembly that no funds were available for the commission.

Final General Assembly action on the question was taken in a plenary session on October 21. With the countries voting in the same groups as they had in the Political and Security Committee, the United States resolution was adopted and the Soviet resolution rejected.

United States Aid

Speaking on October 8, Loy W. Henderson, Director of the Office of Near Eastern and African Affairs of the U. S. Department of State, who had recently returned from Greece, reviewed the program of aid to that country. He stated that the Greek Government was currently "taking stern measures to prevent graft, corruption, and profiteering," and he dwelt at some length on the labor question. Henderson declared that loyal and patriotic Greek Trade Union leaders were exercising unremitting vigilance to prevent the Communists from obtaining control; if that control were obtained, the Communists would be "in a position to paralyze Greece for a sufficient length of time to enable the guerrillas and their allies to put an end once for all to Greek independence." Greek political leaders were defended as patriotic, co-operative, and statesmanlike, especially in the joining of two great parties (Populists and Liberals) to save the

country "from the gravest danger that [had] faced it for over a hundred years." Concerning the American attitude toward the September Cabinet crisis, Henderson remarked:

"There is an unfounded idea regarding our policies toward Greece which I would like to try to remove: that is, that the American Government, in its desire to assist Greece, has gone into the business of overthrowing or setting up governments in that country. It is true that we are convinced that American aid to Greece would be more effective under a Greek Government supported by the overwhelming majority of loyal Greek citizens. The American Government, however, in keeping with its principles of respecting the sovereignty of other independent countries and with its desire to aid Greece in maintaining its independence, has not at any time, directly or indirectly, attempted to force any particular government on Greece. We have not, however, failed to make clear on appropriate occasions that no matter how much aid we may furnish to Greece, the independence and integrity of that country can be preserved only if all loyal and patriotic Greek citizens co-operate in the defense and the rehabilitation of the country. We have also from time to time indicated our conviction that such co-operation could best be obtained under a government which possesses the confidence of the vast majority of the Greek people."

Of the Communist threat to Greek independence, he said:

"... in their effort to seize control of the country, the Greek Communists have used every means to foster disorder and privation. Sabotage of railroad lines, mining of roads, destruction of key power facilities, are the chosen instruments to block reconstruction and recovery of Greece, to render ineffective American aid to Greece, and to paralyze the efforts of Greeks to help themselves. ... The Communist aims and methods are well known in Greece and recognized for what they are: condemnation of a whole nation to near-starvation, poverty and hopelessness so that an armed minority may finally bend to its will a nation proud of its traditional devotion throughout the ages to the cause of freedom and democracy."

A further report to the American people was given on the 15th by George C. McGhee, Coordinator for Aid to Greece and Turkey, just returned from a three weeks' visit to Greece. He told of deliveries of American supplies both for troops and for the civilian populations; of reconstruction work started on ports, highways, and the Corinth Canal; of agricultural materials and equipment provided; of aid by the American Mission in government reorganization, in public health, and in labor matters. He stressed, however, that it should not be thought "that the path to recovery in Greece will be easy nor that Greek independence of foreign aid is yet in sight." Adverse factors cited included lowered purchasing power of aid funds, a below-normal wheat crop in Greece, diversion to military expenditures of aid funds earmarked for reconstruction, and failure of the Greek Government's amnesty offer to bring about a decrease in guerrilla activity. For the restoration of internal order, he said,

"we are relying heavily on the creation by the General Assembly of the United Nations of a commission which will effectively seal the Greek border against assistance to the guerrillas from Greece's northern neighbors." McGhee cautioned that without assistance Greece "cannot withstand continued aggression by her more powerful communist neighbors to the north If Greece's northern neighbors continue their support of the Greek guerrilla forces, the need for foreign aid will continue beyond June 30, 1948, no matter what achievements are made by the American Aid Mission and the Greek people toward recovery."

Greek Domestic Program

An austerity program, such as had long been advocated by the American Aid Mission, was announced on October 13 in a broadcast to the Greek people by Premier Sophoulis. The program comprised three parts:

1. A "certificate plan" to encourage exports and curb imports. Under this plan, the Premier said, "exporters and others possessing foreign exchange from remittances from abroad, on selling their exchange to the Bank of Greece, which they must do, will receive, over and above the official rate, certificates representing an equal amount of foreign exchange."
2. Elimination of all luxury imports and nonessential Government services. Import permits, issued by a new foreign trade administration, must be presented by importers before they can receive foreign exchange. With luxuries forbidden, it was believed that the amount available for imports would be sufficient for an adequate standard of living.
3. A balanced budget.

Following passage, on October 17, of a law giving authority to suppress newspapers systematically supporting rebellion, the Athens Court of Appeals on the 18th ordered suspension of two Communist daily newspapers for the "duration of the rebellion."

Plans for a winter military offensive to begin in the latter part of November against the guerrillas were also being formulated, in view of the small response to the amnesty. Shifts in the high command were made, and on the 23rd Premier Sophoulis announced that he had received official notification of a United States Government decision to send U. S. Army liaison officers to be attached to the Greek General Staff and army units. The press speculated that their coming might coincide with the beginning of the Greek winter offensive and with the establishment of the new United Nations Balkan committee.

An emergency tax program, worked out with the help of the United States Mission, was announced on October 31. It was hoped to raise about 120 million dollars of additional revenue before June 30, 1948, to defray increased expenditures for military purposes and for the care of refugees fleeing from the guerrillas. The Government planned to ask Parliament for a vote of confidence on the policy when it reconvened in early November.

4. States in the Soviet Orbit

Establishment of Cominform

Leaders of world communism announced through a communiqué, published in the Soviet newspaper Pravda on October 5, what amounted to the virtual re-establishment of the Comintern (now known as the "Cominform") to combat "imperialistic" policies of the United States and Great Britain. The Comintern (the Third International), which was originally founded in 1919 by the Russian Communist Party, had been declared "dissolved" by Moscow on May 22, 1943. The communiqué stated that an "informational conference" had taken place "at the end of September in Poland," with representatives of Communist Parties in attendance from the Soviet Union, Yugoslavia, Bulgaria, Rumania, Hungary, Poland, France, Czechoslovakia, and Italy. Accompanying the communiqué was the text of a resolution adopted by the conference which set up an "Information Bureau" to be located in Belgrade, Yugoslavia, and the text of a manifesto on the international situation.

Noting that "...the absence of connections between Communist parties" was considered harmful the members of the conference agreed, as set forth in the resolution, that the Information Bureau, composed of representatives from the nine countries, should "...organize and exchange experience and, in case of necessity, coordinate the activity of Communist parties on foundations of mutual agreement." Excerpts from the manifesto follow:

"In the international situation brought about by the second World War and in the period that followed fundamental changes took place.

"The characteristic aspect of these changes is a new balance of political forces interplaying in the world arena, a shift in the relationship between states which were the victors in the second World War, their revaluation.

"...The Soviet Union and the democratic countries believed that the main objective of the war was the rebuilding and strengthening of democracy in Europe, the liquidation of fascism and the prevention of a possible aggression on the behalf of Germany, that its further aim was an achievement of an all around and lasting cooperation between the nations of Europe.

"The United States of America and with them England placed as their war aim a different goal--the elimination of competition on the world market (Germany and Japan) and the consolidation of their dominant position. This difference in the definition of war aims and post-war objectives has begun to deepen in the post-war period.

"Two opposite political lines have crystalized: on the one extreme the U.S.S.R. and the democratic countries aim at whittling down imperialism and the strengthening of democracy. On the other side the United States of America and England aim at the strengthening

of imperialism and choking democracy. Because the U.S.S.R. and the democratic countries stand in the way of fulfilling imperialistic plans aiming at world domination and crushing democratic movements, a campaign against the Soviet Union and the countries of the new democracy was undertaken, a campaign fed also by a threat of a new war on the part of the most sanguine imperialistic politicians of the United States and England....

"...the imperialistic camp and its directing force, the United States of America show a growing aggressive activity. This activity evolved at the same time in all spheres--in the sphere of military and strategic activities, economic expansion and ideological warfare. The Truman-Marshall plan is only a farce, a European branch of the general world plan of political expansion being realized by the United States of America in all parts of the world. The plan of the economic and political subjugation of Europe through American imperialism is complemented by plans for the economic and political subjugation of China, Indonesia and South America. The aggressors of yesterday--the capitalist tycoons of Germany and Japan--are being prepared by the United States of America for a new role--as tools of the imperialistic police of Europe and Asia of the United States of America....;

"In these conditions the anti-imperialistic democratic camp has to close its ranks and draw up and agree on a common platform to work out its tactics against the chief forces of the imperialist camp, against the American imperialism, against its English and French allies, against the Right-Wing Socialists above all in England and France.

"To frustrate these imperialistic plans of aggression we need the efforts of all democratic and anti-imperialistic forces in Europe.

"The Right-Wing Socialists are the traitors in this common cause. With the exception of those countries of new democracy where the Communists and Socialists together with other progressive parties have formed a common bloc in the face of imperialism, the Socialists in most other countries, and especially the French Socialists and the British Laborites--[French Premier Paul] Ramadier, M. Blum, Mr. Attlee and Mr. Bevin--facilitate by their servile placidity the fulfillment of American capitalistic aims, encouraging it to blackmail, and pushing their own countries on the road to vassal-like dependence on the United States of America. ...

"In this situation the Communist parties are faced with a particularly important problem. They must grasp in their hands the banner of national independence and sovereignty in their own countries. If the Communist parties stand fast on their outposts, if they refuse to be intimidated and blackmailed, if they courageously guard over the democracy, national sovereignty, independence and self determination of their countries, if they know how to fight against attempts at the economic and political subjugation of their countries and place themselves at the head of all the forces ready to defend the cause of national honor and independence, then and then only no plans to subjugate the countries of Europe and Asia can succeed.

"The above is one of the fundamental aims of the Communist parties....

"One should realize between the imperialist desire to unleash a new war and the possibility of organizing a war, there exists a tremendous distance.

"The nations of the world do not want war. The forces who align themselves with peace are so numerous and powerful that if they defend hard and without flinching the cause of peace, if they show perseverance and grit then the plans of the aggressors are doomed to bankruptcy.

"We should not forget that the imperialist agents, through their clatter regarding the danger of war, try to intimidate vacillators and weaklings and thus gain through blackmail concessions for the aggressor. ..."

"The main danger for the working class at this moment lies in the underestimation of its own strength and overestimation of the force of the imperialist camp.

"In the same way as the appeasement policy of Munich led to Hitler's aggression, today concessions to the United States of America and the imperialist camp may cause its instigators to grow even more shameless and aggressive.

"In consequence the Communist parties should place themselves in the vanguard of the Opposition against the imperialistic plans of expansion and aggression in all its manifestation whether in the sphere of state administration, politics, economics or ideology and they should at the same time unite and coordinate their efforts on the basis of a common anti-imperialistic and democratic platform as well as gather around themselves all democratic and patriotic forces in their respective nations."

In a speech delivered at the Warsaw meeting of the Communists in September but not made public until October 22, when the full text was published in a supplement to Pravda, Andrei A. Zhdanov, a member of the Politburo and secretary of the Communist Party Central Committee, contrasted the Soviet Union's policy for "lasting peace" with the aggressive policy of the United States and Great Britain. The Soviet Union, he said, recognized that the two systems of capitalism and socialism would exist side by side for a long period and added that "the possibility of collaboration between the Soviet Union and the countries of other systems proceeds from this theory, and under conditions of maintaining reciprocity and fulfillment of obligations." He declared, however, that United States attempts to achieve "world domination by American imperialism" must be stopped and that the Soviet Union would take the initiative in efforts to defeat the Marshall plan and prevent Europe from becoming a "forty-ninth state." Zhdanov asserted:

"American politicians now plan the early start of a preventive war against the Soviet Union and insist on using the atomic bomb, of which America has a temporary monopoly."

He also accused the United States Army of preparing to use bacteriological warfare against the Soviet Union and countries co-operating with it. Declaring that "concessions to the new course of the United States and the imperialist camp can only make its inspirers more impertinent and aggressive," Zhdanov concluded:

"The Communist parties should head the resistance against the plans of imperial expansion and aggression -- state, economic and ideological. They should unite, and unite efforts on the basis of a universal anti-imperialist and democratic platform and gather around them all democratic and patriotic forces."

United States Reaction to Cominform

On the 8th, in answer to inquiries at a press conference, Acting U.S. Secretary of State Lovett commented:

"The Department has examined carefully the material which has appeared in the Soviet press concerning the recent meeting in Poland of representatives of the Communist Parties of nine European countries and the decision to establish in Belgrade an information bureau consisting of representatives of the Central Committees of the Communist Parties of these countries. The Department has noted that responsible cabinet ministers of certain countries, including the Soviet Union, were included among these representatives. It has also taken careful note of the terms of the manifesto issued by this conference, which maligned the aims of the American and British people in the recent war and carried to new lengths the distortions of United States policy with which the Communist press everywhere has recently been replete.

"The documents issued by the Warsaw Conference speak for themselves. The parties and governments associated with this program have made clear their intention to prevent, if they can, the economic recovery of Europe. People in Europe who permit themselves to be misled by these malicious and unscrupulous distortions will be taking a heavy responsibility on themselves; for there could be no possibility of avoiding economic disaster in Europe if the concepts of the Warsaw Conference were to prevail.

"For Americans, this is a time for coolness and clarity of judgment. We must not allow ourselves to be deflected from the course we have chosen; and we must continue to study with sympathy but with calm realism the problem of how Europe can be assisted to regain its proper place in a stable and peaceful world."

a) Bulgaria

Resumption of Diplomatic Relations

Acting Secretary of State Lovett announced, on October 1, that the United States was resuming diplomatic relations with Bulgaria, and that a minister would be appointed to Sofia. Lovett explained that this action

did not reflect American approval of "certain recent actions of the Bulgarian Government," presumably the execution of opposition leader Petkov, but was intended for the maintenance of U. S. interests in Bulgarian developments. He stated:

"Last week I was asked whether resumption of relations between the United States and Bulgaria might be affected by recent developments in that country. A decision has now been reached in that matter.

"With the entry into force on September 16 of the Bulgarian peace treaty and the termination of the state of war between the United States and Bulgaria, the United States Government considers it desirable to accredit a diplomatic representative to supersede the United States political representative who has been stationed in Bulgaria during the armistice regime. . . .

". . . the establishment of an American Legation in Sofia is predicated on the intention of the United States to maintain its interest in the welfare of the Bulgarian people, to keep itself informed concerning developments in Bulgaria, and to continue its efforts to protect American interests in that country. The United States Government wishes to make it clear that this step does not reflect either approval or condonation of certain recent actions of the Bulgarian Government. The views of this Government on such matters have been fully set forth."

Comments on Petkov Trial and Execution

Premier Georgi Dimitrov, in a press interview on October 9, said that it had been impossible for him to commute the death sentence of Nikola Petkov, opposition leader, because of "rude attempts" at intervention by the Governments of the United States and the United Kingdom. He declared that such intervention had infringed on "sovereign Bulgarian justice" and played "a big share in the responsibility for the fate of Petkov himself." In the course of the interview, Dimitrov made the following assertions:

1. Petkov had prepared a coup for the time of "direct Anglo-American intervention in Bulgaria, which he expected after the evacuation of Bulgarian territory by Soviet troops."
2. Later trials proved that "the danger of a military coup d'état [was] not imaginary, as alleged by some newspapers abroad."
3. Petkov was not executed "because of his political convictions." Although the court that tried his case was composed entirely of Communists, it was not a "specially chosen formation."
4. The accused was permitted free access to lawyers and all witnesses were allowed except "under circumstances that would incriminate the witness himself."

Premier Dimitrov was insistent that this trial, as alleged in the United States and the United Kingdom, did not violate peace treaty provisions guaranteeing political freedom. He declared: "It would be absurd to affirm that the article in question guarantees freedom to organize military conspiracies and terrorist acts. We cannot recognize such freedom for anyone."

Declaration on International Situation

A committee of the Fatherland Front Government parties--supporting the Communist-dominated Fatherland Front--issued on October 25, after several days of meetings in Sofia a declaration on the international situation. The group stated that as a consequence of attempts by the United States to destroy the economy of Bulgaria, the place of that country was in the "anti-imperialist camp headed by the great Soviet Union." Signed by such men as Georgi Dimitrov, the Communist Premier, and Vulko Chervenkov, Communist Party Secretary, the declaration charged:

"Bulgaria is bounded by Greece and Turkey, which have turned into bases of Anglo-American imperialists and represent a constant threat to the independence and security of our country and other Balkan democratic countries.

"For every honest Bulgarian, it is clear today who are his friends and who are his enemies. Everybody remembers the unjustified Anglo-American imperialistic interference in Bulgaria's legislative elections in 1945, their enemy attitude toward Bulgaria at the Paris Peace Conference, their anti-Bulgarian behavior in the Greek International Investigation. . . their brutal interference in connection with Nikola Petkov's trial, the facts of which speak eloquently for themselves. . . .

"In view of the described international situation, the National Fatherland Front Committee, together with the leadership of the Fatherland Front parties and mass organizations, unanimously declare that vital Bulgarian interests fully coincide with [those of] the anti-imperialist camp headed by the great Soviet Union and that Bulgaria's place is unhesitatingly and completely in this camp."

b) Czechoslovakia

Alleged Plot Against the Government

The Slovak State Defense Minister announced on October 3 that 55 "intellectuals" had been arrested in an inquiry into a plot against the Government and that these arrests "liquidated" the last antigovernment plotters. On October 9, the Presidium of the Parliament in Prague discussed a request to remove the immunity of two Catholic Secretaries General of the Slovak Democratic Party, Jan Kempny and Milos Burgar. In the course of developments it was revealed that the formal charges brought against these two men and other alleged conspirators included that of plotting directly or indirectly with a foreign power. The Presidium reached a decision to put the case before the Parliamentary Immunity Committee on October 14.

At that session three of the five leading political parties defied the Communists on the principle of parliamentary immunity, although the Communists maintained that it was mandatory that the Committee accept any request of a court to remove immunity because the judiciary should be independent.

The Secretaries General of the Slovak Democratic Party appeared before the Parliamentary Immunity Committee on the 15th, and requested that their immunity be removed so that they could be tried on charges of conspiring against the State. This was said to be a victory for the Communists, as the Committee, which had been debating the issue for two days, agreed to the request. Press comment indicated that the two men had not spoken until they were sure that the Parliamentary Immunity Committee intended, in any case, to remove their immunity. The other non-Communist parties represented on the Committee were reported to have based their decision either on "new evidence" presented by the Minister of the Interior, or on the view that the cost of voting against abolition of the immunity was too high politically.

The issuance of a warrant for the arrest of the third of the Secretaries General of the Slovak Democratic Party, Fedor Hodza, who had made a speech in Parliament on October 16 in defense of his party compatriots, was asked by the police of the States Attorney in Prague on the 22nd. Hodza had charged the gendarmerie with being a tool of the Communist Party, and had called the arrest of the first two Secretaries General "not only a purge of public life," but also "a political pressure operation against the Democratic Party." The Communist Minister of the Interior, Nosek, in calling for the arrest of Hodza, said the Secretary had no right to defend his two colleagues, whose parliamentary immunity had been removed and who were in custody on charges of sedition.

Policy Statement of Social Democratic Party

On October 19 the Social Democratic Party released a policy statement criticizing the establishment of the new Cominform and making clear that reports that the Socialists intended to join with the Communists were incorrect. Concerning the meeting of the nine Communist parties in Poland, the statement, signed by the executive committee of the Czechoslovak Social Democratic Party, the first official word from that group which had been constituted earlier in October by the merging of separate Czech and Slovak parties, said:

"... we wish heartily for socialist collaboration on an international scale and therefore we cannot agree with the declaration made recently at the conference of the nine Communist parties in Poland. . .

"The declaration [that issued from Poland] undoubtedly was a reaction to the international situation, but will result rather in sharpening than in easing mutual distrust in international relations. . ."

On the future of the Socialist Democratic Party, the pronouncement stated that the "Social Democratic party does not need to fuse with anyone because its policies and its principles have proved to be correct and have been confirmed by the general development since the war."

c) Hungary

Remarks of Newly Appointed Minister

The new Hungarian Minister to the United States, Rustem Vambery, said on October 8 when presenting his letters of credence to President Truman:

"... I regret ... that recent international events have somewhat impaired the relations between our two countries. I need not stress my desire to do the utmost in eliminating misunderstandings by heralding the truth because I am convinced that the words of the Gospel 'great is the Truth and shall prevail' apply to political life as well. I could not claim therefore that Hungary, after so many years of disastrous rule has turned into an ideal democracy overnight. What we need is the patience of the great powers and the spiritual support which the United Nations can offer, if and when Hungary will become one of its members. Misery and distress is no soil in which democracy can thrive. This is why Hungary is so anxious to restore the balance of its economic life. ..."

"It is ... perhaps not too immodest if I venture to ask Your Excellency to bestow your benevolence upon the downtrodden Hungarian people and to grant Hungary a share in the helpfulness which is so characteristic of the magnanimous American nation. ..."

In reply the President assured the Hungarian Minister that this country would continue to support the Hungarian people and that he [Vambery] would "receive the full cooperation of this Government in [his] purpose of furthering closer relations between our two peoples. ..."

On the following day, at a news conference, Vambery said that "Hungary, though in the neighborhood of the Soviet Union must not be used as a baseball in the great world series in which the future of the human race is at stake." He contended that although Hungary was "more subservient than is necessary" to the Soviet Union, he deemed it an "over-statement" to say that the Soviet "controls" Hungary, and pointed out that the Soviet Government did not interfere "directly" in Hungarian internal affairs.

Reported Hungarian-Yugoslav Accord

An official Yugoslav communique, made public on October 15, revealed that a statement by Hungarian Premier Lajos Dinnyes to the effect that only a cultural agreement had been discussed and signed by the Yugoslav and Hungarian Governments was untrue. The Yugoslav communique declared that "both countries agreed that in the near future they shall begin discussions with a view to concluding an agreement on mutual aid and friendship." It continued:

"After careful study of the international situation the representatives of the two Governments agreed that the maintenance of peace and security and defense of the sovereignty of both countries demands closer collaboration between the two countries."

It was also stated that representatives of the two Governments had "established the need for the further development of economic, cultural, and other relations in a spirit of mutual friendship and collaboration."

d) Poland

Flight of Mikolajczyk

With an official announcement from Warsaw on October 25 that Stanislaw Mikolajczyk, leader of the Peasant Party, had "disappeared" from the capital a few days earlier and had probably fled from Poland, opposition to the Leftist bloc in that country ended, except for that of the Catholic Church. Mikolajczyk, a former Premier of the London Polish Government in Exile, had returned to his country to lead the opposition. He was defeated in the January elections, but had charged that if the voting had been fair, his group would have obtained 75 per cent of the votes cast.

Newspaper coverage indicated that Mikolajczyk's name had been mentioned in several trials relating to the illegal underground, and that many had expected he would be imprisoned by the close of 1947. However, Communist President Boleslaw Bierut told the press that the Government had no intention of arresting the ex-Premier. By the 26th, the U. S. Department of State had received no official word on the disappearance. In the course of the week, unconfirmed reports stated him to be in Sweden, London, and the United States. The British Parliamentary Under Secretary for Foreign Affairs, on the 27th, told the House of Commons that the British Government would grant him asylum as a political refugee in accordance with traditional English policy, should Mikolajczyk so desire.

On the day after the announcement of his disappearance, the Left Wing group of the Peasant Party took steps to co-ordinate the Party under its leadership. On the 28th, these leaders announced the formation of a temporary executive committee, to be made permanent by the calling of a party congress to authorize the new set-up. This committee, on the 28th, expelled from the Party Stanislaw Banczyk, deputy leader under Mikolajczyk, and Secretary General Stanislaw Wojcick. On the 29th, it deprived five of the vanished leader's closest associates of their rights to represent the Peasant Party in Parliament--thus eliminating political opposition.

The Socialist Premier, Joseph Cyrankiewicz, in an address to the Sejm [Parliament] at its opening on October 29 called Mikolajczyk "the newest Polish export" and warned the Catholic Church that the Government would not allow it to use religious freedom for political ends. He did, however, reaffirm the declared intention of the Government to "allow the free practice of religion in Poland," stating at the same time that recent criticism of the Government appearing in the Catholic press and pastoral letters was "baseless." Other highlights of the Premier's speech included:

1. A reiteration of Polish determination to be close to the Slav nations, especially the Soviet Union, the "powerful bastion of peace."
2. A condemnation of "expansionist tendencies" of the capitalist countries and a declaration of the "absurdity" of the idea of subjugating countries by economic means.
3. The expression of the view that the departure of Mikolajczyk, an agent of "foreign reaction," would "only hasten the final liquidation" of his policy in Poland.
4. A statement that security within the country had improved considerably, but that "foreign agents" were still attempting to cause "diversions."
5. An announcement that economic progress in the first 9 months of 1947 promised that the economic plan for 1947 would be carried out.

e) Rumania

Trial of Maniu

The trial of the National Peasant Party leader, Juliu Maniu, and 18 other persons--on charges of treason, espionage for the United States and the United Kingdom governments, and conspiring to overthrow the Communist Groza regime by force--opened in Bucharest on October 29. Vasile Serdici, former press chief and friend of Maniu, who was reported to have turned state's witness in the course of secret police questioning, furnished most of the material in the lengthy indictment read in court on the opening day of the trial.

Americans named in the alleged plot were a present State Department official, Charles E. Hulick, formerly Second Secretary with the U.S. political mission in Rumania; Robert Melbourne, former Counselor in Bucharest; Brigadier General Courtland Schuyler, former American military mission head; and two United States officers--the latter being termed loose-talking American "cloak and dagger" experts, who had bragged that they were in charge of all subversive organizations in Eastern Europe. Hulick in a State Department release on October 30 declared that the charges made against him and the other Americans were "sheer nonsense."

In the course of his testimony on the 31st, Maniu denied that he wanted to overthrow the Groza Government by violent means, but said he was responsible for an attempt to smuggle four National Peasant leaders from Rumania and for furnishing secret information to the British and American legations in Bucharest. He denied knowledge of the alleged "cloak and dagger" activities of the two U. S. officers who were charged by other defendants with having plotted with certain Rumanians to form a resistance organization in opposition to the Government, and with providing military information to the United States mission.

Concerning a charge that former Under Secretary of State Acheson had told Maniu through the U.S. mission in the spring of 1947 that the time was not "opportune" for the use of violence against the Groza regime, Maniu, according to a press report, was not "precise" in his reply. Serdici had testified earlier that he had personally handled the copy of the alleged Acheson statement. Maniu, however, did state that he had told the U.S. political representative in Bucharest that he was planning to set up a Rumanian resistance government outside the country. At the close of October, these political trials were just getting under way.

f) Yugoslavia

Trial of Peasant Leaders

On October 1, Gragolub Yovanovitch, leader of the Serb Peasant Party, former opposition member of the Parliament, and former secretary of the National Front, was put on trial before the Serbian Supreme Court in Belgrade. He was charged with espionage, treason, attempts to form a National Peasant bloc, and giving information to members of the British Embassy staff. Indicted with Yovanovitch, who was arrested on May 15, was Franjo Gazy, member of the Croat Peasant Party.

In testifying on October 2, the accused man denied that he had worked for a foreign espionage service or that he had directed "illegal" propaganda against Yugoslavia. A former Belgrade University professor, he told the court that he had "done nothing against [his] people or [his] country." He also stated that the idea of forming a National Peasant bloc did not come from the United Kingdom, as was alleged, adding: "During four and a half months of interrogation not once was I made acquainted with the charges that the directives for formation of the bloc had come from a British diplomat. The first time I heard about such charges was when I heard the indictment read."

At the conclusion of the trial on the 7th, the prosecutor asked for a not too severe sentence, saying that "the strength of our country permits" this. Yovanovitch was found guilty of conspiring against the State, and on October 8 was sentenced to 9 years at forced labor. He was the last of the South Slav peasant leaders who had remained in opposition within the Balkans. Gazy, who had been tried with Yovanovitch, received a 5-year sentence.

Chilean Expulsion of Yugoslav Diplomats

The Chilean Government arrested thirty alleged Communists on October 6 in connection with a two-day strike of 18,000 coal miners--termed a Communist attempt to choke the nation's economy. Two days later, the Secretariat General announced the expulsion of two Yugoslav diplomats, charged with plotting to paralyze the country's production as part of an overall plan to communize Latin America. On the 9th, the Chilean Government released a statement giving the background of developments, which follows in part:

"In a declaration delivered to the press Monday (6th) in connection with the coal-zone strike movement, the Government affirmed

that the workers' resistance to returning to work despite advantageous conditions obeyed the instructions of the Communist party in Chile, which in this manner carried out instructions sent by the Communist international organization, directed from a satellite power of the Moscow Government.

"The Government fulfills its duty of affirming before public opinion that it has in its power all the antecedents that flatly prove the truth of its assertion.

"The country is informed of the Communist international organization having been reorganized in Belgrade as a consequence of a conference held in Poland...

"In our continent the revolutionary works of the international Communist organization are directed by a Latin-American grouping that has its liaison centers in the cities of Buenos Aires and Rosario, an organization that imparts instructions to the different Communist parties of the continent.

"The Government has the antecedents of an intimate bond that exists between this office and the Communist international headquarters in Belgrade.

"The labor in which international communism is engaged found itself intensified in our country with the visit that Gen. Ijubmir Ilitch (now Minister to Argentina) made to Chile late last year, when, as the representative of Marshal Tito, he attended the Presidential inaugural ceremonies.

"During his visit to Chile, General Ilitch established contacts and held repeated conferences with Communist leaders in Santiago and the provinces....

"Coincidental with this visit of General Ilitch to Chile has been the arrival in the country of numerous international agents of the Communist party, the majority of them Yugoslavs who are bearers of Chilean documents falsified in Buenos Aires and which have been furnished them by the Latin-American regional grouping above mentioned.

"These agents had the mission of establishing contact with the Communist leaders of Chile to inform them of instructions received from the Communist international of Europe and to collect at the same time data that interested them for the development of the international policy that the international organization is pursuing.

"General Ilitch, before leaving the country, accredited to our Government as 'Charge d' Affaires of the Popular Federative Republic of Yugoslavia' Senor Andrej Cunja, a person who had been residing in Chile since 1937.

"Senor Cunja profited from his office to maintain sustained contact with leaders and members of the Communist party of Chile....

At the same time he was awaiting in our country the coming of Communist international agents.

"A few days ago there arrived in Santiago the secretary of the Yugoslav Legation in Buenos Aires, Senor Dalibor Jakasa, who was the bearer of instructions that Senor Cunja was to carry out....

"The mission confided to General Ilitch, which the Yugoslav Charge d' Affaires, Senor Cunja, was continuing to develop, and which the Yugoslav diplomat Dalibor Jakasa came to speed up, was that of carrying out the work of the international Communist organization, which now has its headquarters in Belgrade. This may be summed up as follows: .

"A. Intensify and coordinate a campaign against the United States of America to induce the greater democratic elements to join Soviet strategy against the Western democracies.

"B. Attack the policy of Continental defense.

"C. Develop a plan of sabotage of production, either by means of slowing work or causing strikes and conflicts in industries producing raw materials.

"These instructions were faithfully fulfilled by both the Communist party in Chile and other parties on the Continent....

"Convinced of the total effectiveness of the part played by Senor Cunja and Senor Jakasa in the plans of the Communist party being developed in Chile, the Government this afternoon adopted measures to end their activities.

"Senor Cunja was called to the office of the Foreign Minister, who notified him that his functions were terminated and that, having seriously infringed this country's hospitality and made an attempt against its independence with subversive aims, the Government had decided, in conformity with international law, to place him on the frontier in company with Senor Jakasa.

"The Government's measures were carried out this afternoon."

Following these developments, Yugoslavia announced on the 11th the breaking off of diplomatic ties with the Government of Chile. Accusing the Chilean Republic of "rudely breaking the most basic principles of international relations" by the expulsion of the two Yugoslav diplomats, the statement continued:

"For this expulsion, reasons without any foundation are given and at the same time a whole number of most fantastic libels are issued against the Yugoslav Government. Since the Yugoslav Government received no reason for such action of the Chilean Government, it clearly follows that this is a part of the intended campaign that is not in the interests of Chile and the Chilean people but in the interest of the expansionist tendencies of certain powers that more and more direct the home and foreign policy of Chile."

5. Iran

United States Aid

United States aid to Iran was promised on October 1 by Loy W. Henderson, director of the U. S. State Department Office of Near Eastern and African Affairs. Speaking in New York, he said:

"A necessary condition for the success of Iran's forward-looking economic program is not only the availability of foreign assistance when requested but the absence of foreign interference in the internal affairs of Iran. The United States has not and will not interfere in the internal affairs of Iran. The United States has in the past and will in the future give to Iran, upon its request, all appropriate assistance within the spirit of the United Nations Charter.

"Given a well-conceived program, foreign assistance as needed and requested, and freedom from interference, Iran under progressive leadership might well be expected to encourage by every possible means popular participation in, and country-wide benefit from, its efforts to raise the Iranian standard of living, not only in the urban centers but also in the rural and tribal districts which represent the backbone of the nation's economy."

Status of Soviet-Iranian Oil Agreement

A vote of confidence by the Iranian parliament on October 5 gave Premier Ahmad Ghavam a majority of 93 out of 120 ballots and cleared the way for presentation of the proposed oil agreement with the Soviet Union. A boycott by the delegates from Azerbaijan prevented the forming of a quorum on the 19th, when it was intended to present the report, and it was postponed until the 22nd. In addressing Parliament, Ghavam stressed the conditions under which he had made the agreement with the Soviet Union--with Soviet troops occupying the northern part of the country and the Soviet Union demanding an outright concession. This demand he had resisted, finally arranging a compromise in the form of a joint Iran-Soviet Company. While Ghavam expressed a wish for lasting cultural and commercial relations with the Soviet Union, he concluded by presenting a 5-point bill containing the following provisions, which was adopted by an overwhelming vote of 102 to 2:

Iran would investigate and exploit her own oil resources for the next five years, employing her own capital.

The negotiations with the Soviet Union for an oil concession were null and void.

Iran would not be allowed to grant concessions to foreign nations or to have outside assistance in oil exploration.

If Iran discovered oil in the next five years, arrangements might be made with the Soviet Union for selling it.

Iran was to undertake negotiations with the Anglo-Iranian Oil Company to get a larger share of the profits.

A dispatch in Pravda of October 25, reporting on this action, declared that in "Iranian progressive circles" it was said that the decision "was made under the pressure of Americans and order of Ghavam ... Ghavam's treacherous policy toward the Soviet Union is calling forth indignation among the democratic people and among honest people of Iran in general."

6. China

Statement on Wedemeyer Report

President Truman told newsmen on October 16 that General Wedemeyer's report on his mission to the Far East was being studied by the U. S. Secretary of State Marshall, who would shortly make a statement on United States policy toward China. Following requests for publication on Wedemeyer's report, the U. S. Department of State issued the following announcement on the 20th:

"... The President in July sent General Wedemeyer to China and Korea as his personal representative to survey the situations in those countries. General Wedemeyer completed his mission in September, returned to this country and submitted a confidential report of his findings to the President and Secretary of State. Much of the information in this report was obtained in confidence from high officials of the Chinese Government, as well as from private individuals, and our representatives in China and Korea. It therefore would be inadvisable, actually harmful, to the interests of the countries concerned, including the United States, to publicize such a document at this time."

Relief Agreement with the United States

The U. S. Department of State announced on October 27 that an agreement had been signed that day at Nanking "to provide food and other relief assistance to the Chinese people under the foreign relief program of the United States." Designed "to prevent suffering and to permit (the Chinese people) to continue effectively their efforts toward recovery," the agreement stipulated that aid would be limited to "food, medical supplies, processed and unprocessed material for clothing, fertilizers, pesticides, fuel and seeds." It contained provisions similar to those included in agreements signed with other recipients of post-UNRRA relief by which United States representatives were to be permitted to "supervise the distribution of U. S. relief supplies" and "representatives of the U. S. press and radio" were to be allowed "to observe freely and report fully without censorship regarding the distribution and utilization of relief supplies and the use of funds accruing from the sale of U. S. relief supplies." The Chinese Government also agreed to distribute supplies "without discrimination as to race, creed, or political belief," not to "permit the diversion of any such supplies to nonessential uses," and to "take appropriate steps regarding the distribution of U. S. relief supplies and similar supplies produced locally and imported from outside sources designed to

assure a fair and equitable share of the supplies to all classes of people." It was stipulated that the program could be terminated should the United States consider that "any provisions of this agreement are not being carried out" or that "relief supplies, or an excessive amount of similar supplies. . . are being used to assist in the maintenance of armed forces in China."

Suppression of Democratic League

The Democratic League, a coalition of leftist minority parties outside the Government, was declared outlawed on October 28 and its leaders placed under arrest, thus excluding it from entering candidates in the elections scheduled for November 21. A spokesman of the Ministry of the Interior explained that the action had been taken because the party had abetted the Communist rebellion against the Government. The League's leader, Dr. Lo Lung-chi, denied the Government's charges, declaring that "the League's basic policy has been to act as a peaceful, legal opposition." In Washington, Acting Secretary Lovett told a news conference on the 29th that the United States Embassy in China had confirmed reports of the suppression of the League and that the Department was endeavoring to obtain more information on the matter. He added, official sources said, that it was "reasonable to assume" that the U. S. Ambassador in Nanking was urging fair and open trials and hearings for the accused in accordance with established law.

Progress of Civil War

The Government announced on October 1 that Chefoo, the principal Communist-held port in Shantung Province, had been captured by Nationalist forces. The fall of this city was regarded as particularly important, since it had been the main channel through which the Communists had been sending supplies to their troops in Shantung.

Following the capture of Chefoo, the Government concentrated its efforts on defeating the Communist drive in Manchuria. Early in October, the Communists renewed their attacks on the Changchun-Mukden railroad, having already hampered the movement of Government troops by cutting the Peiping-Mukden line. By the end of the month, the Government was in possession of nearly the whole of this area. However, the Communists, had succeeded in destroying the greater part of the tracks and had begun a strong drive on the Changchun-Kirin railroad and the important electric power center of Kirin. They also still retained possession of over 90 per cent of the entire province of Manchuria.

B. TREATMENT OF NON-SELF-GOVERNING PEOPLES

Action in the General Assembly

The Trusteeship Committee of the General Assembly completed its work on October 23, and referred the matters under its consideration to the Assembly for final action. During the month, the Committee dealt with questions concerning two specific areas--South West Africa and Nauru, both of which are treated below in this Summary--and two general matters: the

report of an Ad Hoc Committee of the General Assembly on information from non-self-governing territories, and a resolution inviting submission of trusteeship agreements for non-self-governing territories.

An Ad Hoc Committee of the General Assembly (created in 1946 to consider information transmitted to the United Nations under Article 73(e) of the Charter concerning non-self-governing territories and to make recommendations for the future treatment of such information) had met prior to the convening of the Assembly in September 1947 and had submitted five draft resolutions to the Assembly for its consideration. Three of the resolutions were adopted by the Assembly's Trusteeship Committee and were referred to the Assembly for action without much controversy. One of these three resolutions required that the information to be submitted to the United Nations on non-self-governing territories should be as complete and up-to-date as possible; another authorized the Secretary-General to utilize the specialized agencies in preparing analyses of such information; and the third created a special committee to examine the information. The other two of the five resolutions elicited more debate. One of these controversial resolutions authorized the Secretary-General to make use of official information supplementary to that actually transmitted under Article 73(e), discussion being particularly concerned with including available information "for the purpose of comparison." The other resolution dealt with the transmission of political information, and the debate centered around whether such transmission should be "duly noted and encouraged" or "recommended."

Debate on the two controversial resolutions during several sessions of the Trusteeship Committee brought out that the United Kingdom, Belgium, and France--all colonial powers--objected to the idea that Article 73 as a whole created an obligation for administering powers to transmit political information on their non-self-governing territories. On the second resolution, the same three nations supported a proposal authorizing the Secretary-General to make comparisons between conditions in non-self-governing territories and in autonomous nations of similar social, economic, and political advancement. The opposing group in the Committee was headed by the Soviet Union and included Egypt, India, and Cuba. These nations maintained on the first resolution that the obligation to transmit political information existed, and on the second they argued that comparisons should be made between the territories and their controlling countries.

The United States stressed the point that there was a "very clear and fundamental distinction which was drawn at San Francisco between Chapter XI of the Charter, on the one hand, and Chapters XII and XIII, on the other"; that nothing had been written into the Charter to change the fundamental fact "that in many non-self-governing territories sovereignty or jurisdiction vests in the administering states," and these are dealt with in Chapter XI. Chapters XII and XIII, the United States claimed, concern trust territories "where supervision lies in the hands of the United Nations"; in such cases the United Nations being justified in holding the administering power to strict accountability. While Chapter XI laid down the first international "colonial charter," it provided "no legal sanctions, and carefully [refrained] from any infringement of sovereign rights." The United States had, however, transmitted information on governmental institutions as a voluntary act and expected to continue to do

so in the future if such action was not misunderstood or misinterpreted. Although the United States Delegation supported the resolution in its original form, it was with the understanding that "it is intended to encourage the voluntary transmission of information on governmental institutions and not to create an obligation which the Charter clearly avoids."

On the second point debated in the Committee, the United States expressed the belief that "comparison [should] be made on as broad a basis as possible ... it is essential that comparisons be made of conditions in similar areas, whether dependent territories or sovereign states. Matters such as health, or labor, or agriculture ... cannot be adequately analyzed unless it is possible to make comparisons, not merely between one dependent territory and another but, as appropriate, between dependent territories and sovereign states affected by the same particular problem."

When the two resolutions were put to a vote in the Committee, two Soviet amendments were adopted, one "recommending" transmission of political information, and the other limiting comparisons of data to "non-self-governing territories and their metropolitan areas." The voting margins were narrow--20 to 19--with the Soviet Union joined by the Arab states and several Latin American countries, as well as India. In the amended form, the United States voted against the two resolutions as they were referred to the Assembly for final action.

The other controversial question dealt with by the Trusteeship Committee concerned trusteeship agreements for all non-self-governing territories, including the older colonial possessions of the major powers. A draft resolution submitted by India expressed the hope "that members of the United Nations responsible for the administration of non-self-governing territories will propose Trusteeship agreements under Article 77 1 (c) of the Charter of the United Nations for all or some of such territories as are not ready for self-government." Great Britain, Belgium, France, and the Netherlands opposed the resolution as an attempt to rewrite the Charter, and because of the implied assumption that the colonial system was inferior to the trusteeship system. The United States also voiced its opposition, but on different grounds. Although the United States believed that the "old colonial system should be done away with" since it had "no justification for the future," the United States did not believe that the International Trusteeship System necessarily provided the surest and quickest means of enabling the peoples of dependent territories to secure self-government or independence. The United States then pointed to India, Pakistan, and the Philippines, which had all achieved independence within the period when the Charter was in force, without the intervention of the Organization.

Despite this opposition, the resolution was adopted by a vote of 25 to 23 and reported to the General Assembly along with the other reports adopted by the Committee.

1. India and Pakistan

Differences Between India and Pakistan

In the General Assembly's Legal Committee on October 3, the Pakistan representative charged the Dominion of India with the killing of Moslems. He declared that "in India at present people not in hundreds but in thousands and hundreds of thousands are being butchered by one community ... for no other crime than that they belong to a different faith"--citing this slaughter as an illustration of the "horror" of the crime of genocide. The Indian representative called the accusations "as baseless as they [were]--untrue," and termed the charges "reckless" statements.

The suffering in India arising from communal differences was increased by flood conditions during October. A report from Calcutta on the 5th pointed out that the threat of famine in Eastern India was imminent. Flood waters had subsided, but in East Bengal 100,000 tons of rice and thousands of cattle had been lost, and at least a million people had been made homeless.

The Indian Ambassador to the United States, Asaf Ali, in a press conference in Washington on October 10 said (speaking only for the Dominion of India) that India's food outlook was "extremely gloomy," and that he had advised the U. S. Government of Indian needs, especially for wheat. He pointed out that the Punjab--a wheat-growing area--and part of Pakistan had suffered disturbances that have "resulted in the destruction or deterioration of crops in the affected area ... the wheat sowing season [having been] wasted on account of the problems of resettlement."

During the month, the differences between Pakistan and India were high lighted in their relationships with respect to Princely States--chiefly the states of Junagadh, Hyderabad, and Kashmir.

On October 5, Indian Army, Navy, and Air Force units made a landing on the Kathiawar Peninsula and surrounded the Princely State of Junagadh that had joined Pakistan. The troops were reported to have been ordered to cut off the sea lanes to Pakistan, but not to penetrate the territory or intimidate Moslems in any of the neighboring states. This act of force climaxed weeks of discussion between Indian and Pakistan representatives over the right of the state to join Pakistan. Junagadh, although possessing about an 80 per cent Hindu population, is Moslem ruled, and is separated from the nearest Pakistan border by about 400 miles. All the states adjoining belong to the Indian Union. The Indian Government had made the statement that Junagadh could not be considered part of Pakistan because it was "an integral part of the Indian territory," and if joined with Pakistan would set up "an alien pocket in Indian territory." On the 8th, however, the Pakistan Government announced from Karachi that it was willing to negotiate and discuss conditions and circumstances under which a plebiscite could be held if the Indian troops were removed from Junagadh's borders. An Indian Government official, in evaluating this plan for a plebiscite in a state predominantly Hindu and in which the results of such a vote would be a foregone conclusion, called Pakistan Governor General Jinnah "a superb tactician," and expressed the belief that such a solution of the Junagadh crisis might create a precedent for Hyderabad and Kashmir, which have not joined either India or Pakistan.

Hyderabad is an overwhelmingly Hindu state with a Moslem Nizam as its ruler. Until October 16, it had operated under a two months' "standstill agreement" settled upon on August 15. On October 21, it was announced that as a result of negotiations between the Governments of India and Hyderabad, the "standstill agreement" had been extended for one year and a collateral agreement made, stipulating that no rights would be lost or gained during that time, both subject to ratification by the Nizam and the Indian Cabinet.

Another Princely State came into the picture on the 23rd, when it was announced that the Dominion of India commissioner had taken over direct control of the State of Manavadar. A communiqué issued by the Indian States Ministry affirmed that "the situation in Manavadar had so developed that a Hindu-Moslem flare-up seemed almost imminent, and in order to avoid any further deterioration, the Dominion's commissioner for the Kathiawar states [had] taken over direct control." This state is governed by a Moslem ruler, but has a large Hindu population.

On October 26, Kashmir, second largest of the Princely States, was reported to be involved in a revolt, with a well-organized Moslem army fighting Hindu troops of the Maharajah. Kashmir is Hindu ruled, but again is a state with a population predominantly Moslem. The Indian Cabinet and Cabinet Defense Committee met on the 26th, reportedly to consider an urgent appeal for help from the Kashmir Government. The situation became very tense between Pakistan and India, when on the 27th Sikh troops of India were flown to Kashmir to fight the insurgents, and when the Maharajah declared that he had joined his state to the Dominion of India "in the emergency situation." An Indian communiqué, however, revealed that Governor General Viscount Mountbatten had accepted this accession only "in the special circumstances which exist at present" and had said that when the present difficulties subsided, "steps [would] be taken to ascertain the will of the people."

It was reported in the press on the 28th that Prime Minister Nehru of India had appealed to Prime Minister Attlee for co-operation in settling the Indian-Pakistan dispute over Kashmir. On the same day it was announced that Nehru and Mountbatten would fly to Lahore, Pakistan, for a conference with Governor General Jinnah and Prime Minister Ali Khan on November 1. Nehru's secretariat said the trip was being made upon the invitation of Jinnah.

2. Burma

Anglo-Burmese Treaty

An Anglo-Burmese treaty was signed in London on October 17 by Prime Minister Attlee of the United Kingdom and Premier Thakin Nu of Burma, under the terms of which Burma was set up as an independent nation outside the British Commonwealth of Nations. The terms of the treaty, to become operative on January 6 after the passage by the British Parliament of the Burmese Independence Bill, were made public on the 27th simultaneously in London and Rangoon. The Secretary for Burma, the Earl of Listowel, described the agreement as "a peace treaty without a war," and called it the

result of "signs of the dynamic quality of the Commonwealth in adapting itself to changing conditions." The major provisions of the document included:

1. Separation of Burma from British domination and from the Commonwealth after 127 years.
2. The writing off of one third [60 million dollars] of the Burmese debt to the United Kingdom, with provision for the payment of the balance in 20 yearly installments commencing with the year 1952.
3. A specific provision that Burma receive a military mission only from the United Kingdom.
4. A defense agreement, operative for three years, and subject after that time to cancellation upon 12 months' notice, providing for:
 - (a) Military aircraft of both states to share peacetime rights to fly over the territories of both countries.
 - (b) Burmese assistance in the transportation of Commonwealth troops and supplies in wartime or approaching wartime.
 - (c) Physical and financial assistance by the United Kingdom in the maintenance of Burmese airports.
 - (d) The transference to Burma of 37 small naval vessels and other military material.
5. Recognition of the continuance of the British-Burmese financial agreement written in April 1947.
6. Assumption by the Burmese Provisional Government of outstanding contracts pending the adoption of a Burmese constitution.
7. Continuance of trade preferences in force between the two governments.
8. The assumption of Burmese citizenship by all persons of British citizenship through Burmese connection, with those of dual nationality being permitted to elect their citizenship.

3. Indonesia

Action by Security Council

Following acceptance by the United States during September to act with the Governments of Australia and Belgium on the Good Offices Committee for the Indonesian-Netherlands dispute, President Truman announced

on October 1 the appointment of Frank Porter Graham, President of the University of North Carolina as United States representative.

On the 3rd, the Security Council met to receive the Interim Report of the United Nations Consular Commission in Batavia. This stated in part:

"1. Although investigations cannot be regarded as complete until reports can be received from all military observers, the Commission has unanimously reached certain definite and inevitable conclusions after visits by members to eleven different Dutch and Indonesian controlled areas in Java and Sumatra. . .

"2. . . . On August 29 the NEI Government declared its intention to 'complete restoration of law and order and the complete disarmament and winding up of all armed organization' opposing NEI authority within a demarcation line covering Dutch advanced positions. The Indonesians did not accept the Dutch demarcation line. The Dutch line entailed patrol and other activities which were regarded by the Indonesians as hostile movements. Patrol clashes and sniping results without diminution notwithstanding the cease fire order.

"3. We find that the cease fire order is not fully effective and that casualties and damage continue. . .

"4. We have so far been unable to discover any practical interim measures which would secure a more effective observance of the cease fire order or reduce casualties. . ."

A resolution was introduced by the Soviet delegate calling for the immediate withdrawal of Dutch and Indonesian troops to positions occupied previous to the start of military operations. The Netherlands delegate objected on the ground that such action would result in "terrible acts of retaliation" to populations in areas now held by Dutch troops. On the 7th the Council continued discussion of the case, the Indian, Polish, and Indonesian representatives urging passage of the Soviet resolution.

On the following day the Committee of Good Offices held an informal meeting in the offices of the Secretary-General at Lake Success, at which time the group agreed unanimously to proceed at once to the Dutch East Indies. The first formal meeting of the Committee was scheduled to be held in Sydney, where the Australian representative was to meet the United States and Belgian representatives upon their arrival.

Continuing discussion of the Soviet draft resolution calling for withdrawal of the Netherlands and Indonesian troops to their original positions, the United States expressed opposition, stating that the Security Council was unable to judge the effect of such withdrawal on the basis of the interim consular report. The Belgian delegate likewise voiced opposition, saying that it was a proposal which had already been rejected by the Council, and was now even less justified, as if adopted it would mean a general advance of Indonesian troops; that, moreover, the Council

should await the final comprehensive report of the Consular Committee, or otherwise it would be acting with "regrettable levity." The Netherlands representative added that the Soviet resolution was "unacceptable to anyone who [had] the well-being of the civilian population of Java and Sumatra at heart."

At the Security Council meeting on the 11th, the United Kingdom and Australia submitted two proposals in an attempt to establish a neutral zone in Indonesia. The British suggested that a provisional line be established to divide the territories held by the Indonesian Republic and the Dutch forces, also that the Security Council request the three-nation Good Offices Committee to make this proposal their first objective, and to ask the Consular Commission to suggest how a demarcation line might be established. Australia submitted a formal resolution asking the Netherlands and the Indonesian Republic "to withdraw their respective forces at least five kilometers (3.1 miles) behind the positions held at date of cease-fire order of August 1." No decision was reached on either of these two resolutions or the earlier Soviet one, and the meeting was adjourned until October 14, when the report from the Consular Committee was expected to be available.

At the opening of the session on the 14th, the President of the Security Council told the group that a summary of the complete report of the Consular Committee had been received by cable from Batavia, the main points of which follow:

"Paragraph One. Cease fire orders were duly given but there was no confidence by Dutch or Indonesians that the other side would carry them out, and no attempt was made by either side to come to an agreement with the other about means of giving effect to the order.

"Paragraph Two. While the Republican Government ordered their troops to remain in their positions and to cease hostilities, the NEI Government considered it incumbent on them to proceed with the restoration of law and order within the limits of the lines laid down by them.

"Paragraph Three. . . . different interpretations of the cease fire order by each side . . . made it impossible for the order to be observed.

"Paragraph Four. Apart from actions involving regular forces, a considerable amount of banditry, including murder, arson and looting [was] still being carried on to some extent by irregular bands. . .

"Paragraph Seven. The influential class of Indonesians who number not more than five per cent of the population are practically all Nationalists and seek some form of independence, although not necessarily supporting the present Republic. There is little hatred of the Dutch, whose assistance in running the country is recognized as essential."

The Council again adjourned on the 14th without reaching a decision on any of the three resolutions before it, and on October 20, for the third time in five days, postponed discussion of the Indonesian case.

Meanwhile, the Committee of Good Offices to assist in the settlement of the dispute had proceeded to Sydney, Australia, where the first meeting of the group was held on the 20th. It was agreed that the three members (Australia, Belgium, and the United States) would meet with equal rights and responsibilities, not to represent either disputant, but acting as a body in the spirit and principles of the United Nations.

An appeal to the Netherlands and the Indonesian Republic to come to an understanding was made by the United States on the 22nd during a Council meeting. Attention was directed to the fact that the two parties had thus far made "no effort to reach an agreement regarding the cessation of hostilities." A resolution was introduced by the United States (opposed by the Soviet as being not sufficiently strong) in the following phraseology:

"The Security Council,

"Having received and taken note of the Summary of the Report of the Consular Commission dated October 11, 1947, indicating that the Council's resolution of August 1, 1947, relating to the cessation of hostilities has not been fully effective;

"Having taken particular note of paragraph one of the summary pointing out that no attempt was made by either side to come to an agreement with the other about the means of giving effect to that resolution;

"Calls upon the parties concerned forthwith to consult with each other as to the means to be employed in order to give effect to the cease-fire resolution, and pending agreement to cease any activities which directly or indirectly contravene that resolution;

"Requests the Committee of Good Offices to assist the parties in reaching agreement on an arrangement which will ensure the observance of the cease-fire resolution;

"Requests the Consular Commission, together with its military assistants, to make its services available to the Committee of Good Offices."

Before the meeting of the Security Council on the 27th, it was announced by the United Nations that the Committee of Good Offices' representatives had reached Batavia. During the session, Austin presented an amendment to his resolution of the 22nd which read:

"[The Security Council] advises the parties concerned, the Committee of Good Offices and the consular commission that its resolution of August 1 should be interpreted as not permitting

the use of armed forces of either party by military action to alter substantially the territory under its control on August 4, 1947."

4. Palestine

Action in General Assembly

The General Assembly Ad Hoc Committee on the Palestinian Question heard Zionist reaction to the proposed partition of the Holy Land when it met on October 2. Dr. Abba Hillel Silver, representing the Jewish Agency for Palestine, rejected even as a basis for discussion the federal state proposed by the minority of the United Nations Special Committee for Palestine. Of the majority proposal for partition into two states with an economic union, he said:

"It entails ... a very heavy sacrifice on the part of the Jewish people. But if such a sacrifice is made the inexorable condition of an immediate and final solution, we would be prepared to assume the responsibility for recommending acquiescence to the supreme organs of our movement, subject, of course, to further discussion of the constitution and territorial provisions which we assume will take place in the course of these sessions.

"We would be prepared to do so because the proposal makes possible the immediate re-establishment of the Jewish State ... and because it ensures immediate and continuing Jewish immigration which, as events have demonstrated, is possible only under a Jewish State. ...

"We are impressed with the recommendation in the report of an economic union between the two states. ...

"This appears to us to be a progressive and statesmanlike conception of great promise. The Jewish Agency is prepared to accept this proposal of an economic union. It should, however, be understood that this economic union, while it would bestow some benefits on the Jewish State, would also impose grave sacrifices. The acceptable limit of these sacrifices is, in principle, clear: the Jewish State must have in its own hands those instruments of financing and economic control that are necessary to carry out large-scale Jewish immigration and the related economic development. The Jewish State must have independent access to those world sources of capital and supplies that are indispensable for the accomplishment of these purposes. ..."

Particular objection was expressed to the exclusion of western Galilee and of the modern section of Jerusalem from the proposed Jewish state. Silver urged as brief a transitional period as possible and hoped that the transition could be accomplished with a minimum of friction and conflict, but he said that "the Jewish people in Palestine is prepared to defend itself."

The United States position on the problem was made known in a statement to the Committee on October 11, which declared in part:

"The United States Delegation supports the basic principles of the unanimous recommendations and the majority plan which provides for partition and immigration. It is of the opinion, however, that certain amendments and modifications would have to be made in the majority plan in order more accurately to give effect to the principles on which that plan is based. ...

"[The United States] suggests that the General Assembly may wish to provide that all the inhabitants of Palestine, regardless of citizenship or place of residence, be guaranteed access to ports and to water and power facilities on a non-discriminatory basis; that constitutional guarantees, including guarantees regarding equal economic opportunity, be provided for Arabs and Jews alike, and that the powers of the Joint Economic Board be strengthened. Any solution which this Committee recommends should not only be just, but also workable and of a nature to command the approval of world opinion."

On the subject of carrying out the recommendations, it was stated:

"... The General Assembly did not, by admitting this item to its agenda, undertake to assume responsibility for the administration of Palestine during the process of transition to independence. Responsibility for the government of Palestine now rests with the mandatory power. ...

"The United States is willing to participate in a United Nations program to assist the parties involved in the establishment of a workable political settlement in Palestine. We refer to assistance through the United Nations in meeting economic and financial problems and the problem of internal law and order during the transition period. The latter problem might require the establishment of a special constabulary or police force recruited on a volunteer basis by the United Nations. We do not refer to the possibility of violations by any Member of its obligations to refrain in its international relations from the threat or use of force. We assume that there will be Charter observance.

"In the final analysis the problem of making any solution work rests with the people of Palestine. ... Certain elements have resorted to force and terror to obtain their own particular aims. Obviously, this violence must cease if independence is to be more than an empty phrase in the Holy Land."

Soviet endorsement of the partition plan was given to the Committee on the 13th, although it was indicated that the minority proposal would have been preferred if tension had not reached such a point that conciliation between Arabs and Jews appeared impossible. Under existing

circumstances the majority proposal was considered "the one that could be better put into practice," while the plan for economic union of the two states was commended with the statement that "it is in this direction that the most satisfactory solution can be found." The Soviet Union took the view that further consideration would have to be given to the question of actual division of the country, the status of the city of Jerusalem, and measures to be enforced during the transition period after the termination of the mandate. On the matter of frontiers between the two states, it was pointed out: "The committee's proposal for the partition of Palestine in a number of separate regions, connected in certain points by way of narrow corridors, cannot be considered a satisfactory solution of the question." The manner in which to handle the transition period was treated vaguely, the Soviet delegation considering that "... simultaneously with the termination of the mandate, it [will be] necessary to take a decision on the authority which will govern during the transition period and be responsible to the organization of the United Nations and to work out in connection with this the necessary measures."

A restatement of the British view was given on the 16th by Colonial Secretary Creech Jones, who referred to the necessity of determining measures to implement any settlement the General Assembly might adopt, mentioned what he understood to be the suggestion "that the United Kingdom should carry such responsibility throughout an indefinite transition period until independence is attained," with some assistance, and continued:

"My Government desire that it should be clear beyond all doubt and ambiguity that not only is it our decision to wind up the mandate but that within a limited period we shall withdraw. ... In short his Majesty's Government will not accept responsibility for enforcement either alone or in a major role. ...

"If it is desired that the British Government should participate with others in the enforcement of the settlement, my Government adhere to the view that they must take into account the inherent justice of the settlement and the extent to which force would be required to give effect to it. But I hope it will be agreed by all delegates that the view of the special committee's report should be upheld that there is urgent need for a change in the status in Palestine. The withdrawal of the British administration there should, if possible, proceed by an orderly transfer of power to a suitable authority, recognized by the United Nations, to usher in independence. ..."

With the conclusion of general debate, the Palestine Committee on the 21st decided to set up three subcommittees to work on details. One group was slated to consider the unanimous recommendations and the majority proposals for partition from the report of the special inquiry committee; its membership consisted of Canada, Czechoslovakia, Guatemala, Poland, South Africa, Uruguay, the United States, the Soviet Union, and Venezuela. The second group was named to study proposals for Palestine as an independent Arab state, and consisted of Afghanistan, Colombia (which later resigned because of being the only non-Moslem member),

Pakistan, Egypt, Iraq, Lebanon, Saudi Arabia, Syria, and Yemen. The third subcommittee was to serve as a conciliation group between the other two, and was made up of the chairman, vice-chairman, and rapporteur of the full Palestine Committee. Meeting chiefly in closed sessions, the first two subcommittees were unable to complete their work by the deadline of October 29 and were given indefinite extensions.

A press report from London on the 29th said it had been learned that the British were prepared to leave Palestine in six months if no solution agreed on by Arabs and Jews was reached by the United Nations, although no definite date had been set.

On the 31st the United States presented to the subcommittee on the majority proposals a suggestion that the partition of Palestine be made final on July 1, 1948, with Great Britain as the mandatory power responsible until then for internal order and administration; the General Assembly to appoint a commission of three members to assist the Jewish and Arab states in the process of assuming sovereignty; also that during the transition period the two states would begin organizing their administrative and security forces, and upon the termination of the mandate in 1948 would assume full governmental authority. This proposal sought to avoid the necessity of establishing the volunteer constabulary suggested by the United States on October 11, since the British mandate would continue through the period necessary for the withdrawal of the British forces.

Meeting of Arab League Council

A meeting of the Arab League Council was held in Lebanon from October 7 to 15 to consider and adopt measures for opposing the Zionists in Palestine, and to discuss other matters of Arab interest. The importance of the gathering was indicated by the presence of the Mufti of Jerusalem, exiled chairman of the Arab Higher Committee of Palestine.

Three resolutions were adopted on October 9, all based on the possibility that the United Nations might accept the partition of Palestine as a solution of the problem of the Holy Land. The first provided for the implementation of "secret agreements" adopted at the Council's meeting in Syria in 1946; these agreements, according to the press, were generally thought to call for political and economic sanctions against the United States and Britain and for aid to the Palestine Arabs. The second resolution recommended "that military precautions be taken on the boundary of Palestine by adjacent states, provided those states make arrangement for the participation and cooperation of other states." The third resolution recommended "that actual help, both materially and morally, be given Palestine Arabs to strengthen their defense and that each Arab nation set aside funds for that purpose."

In accordance with the proposal calling for "military precautions," movements of small numbers of Arab troops near the borders of Palestine were reported during the following days, but these were thought to be token forces not offering a real threat.

The Council's discussion of Palestine concluded on October 11, at which time a statement was issued saying that resolutions had been adopted "dealing with measures for the defense of Palestine's existence, for protection of its inhabitants and the guaranteeing of their right to self-determination." Methods for strengthening the League's economic boycott of the Zionist were also given consideration.

During its closing sessions, the League declared its support for Egypt in the controversy over the Sudan, and formulated a memorandum on Libyan independence to be sent to the London meeting on the Italian colonies.

5. South-West Africa

Action in General Assembly

The Trusteeship Committee adopted a resolution on October 15 for recommendation to the General Assembly which declared it to be the "clear intention" of the Charter "that all territories previously held under mandate, until granted self-government or independence, shall be brought under the International Trusteeship System." It expressed disapproval of South Africa's failure to carry out the General Assembly's previous recommendations for trusteeship agreements, and strongly urged the Union "to propose for the consideration of the next Session of the General Assembly a Trusteeship agreement for the territory of South West Africa." The United States position during the debate was that it appeared inadvisable to set a precise time limit when the Assembly could only recommend action and that to say it was "the clear intention of Chapter 12 that all territories should be brought under the international trusteeship system" was a slight overstatement of the case which might "weaken the moral decision which the Assembly ultimately makes."

6. Nauru

Approval of Trusteeship Agreement

A draft trusteeship agreement for the mandated island of Nauru was submitted jointly by Australia, New Zealand, and the United Kingdom to the second regular session of the General Assembly, and was referred there to the Assembly's Trusteeship Committee. The draft agreement was opposed by the Soviet Union as violating Articles 79 and 83 of the Charter and as not being sufficiently explicit regarding the civil rights and political advancement of the inhabitants. This charge was denied by Australia, designated as the administering authority by agreement with New Zealand and the United Kingdom. Australia contended that the agreement for Nauru incorporated the same principles as the eight agreements approved by the General Assembly in 1946. Despite Soviet objections, the Trusteeship Committee approved the agreement and recommended it to the General Assembly for approval, but with the Soviet bloc voting against the recommendation.

C. PROPAGANDIST ACTIVITIES

There was a widespread increase of Soviet propagandist activities during October, notably in the establishment of the Cominform and in the "war-mongering" debates in the General Assembly, both of which are treated in this Summary. The violence of communist attacks, marking a further deterioration in Soviet-Western relations, was a cause of concern to the Western countries, as exemplified in the remarks of both Prime Minister Attlee and Anthony Eden, speaking for the Opposition, in the debate on the King's Address at the opening of Parliament, October 21st. Attlee said that the Government was "greatly disturbed at increasing tension in foreign affairs and at the attitude of the USSR representatives which is gravely imperiling the work being done in trying to build up the United Nations Organization." Mr. Eden declared that the international situation "had darkened almost everywhere" since last August, and that antagonism between the Soviet and Western countries "had unhappily sharpened." However, he claimed, nothing was to be gained by seeking to appease others:

"We must hold fast to our own faith of true democracy and our free way of life and fulfill our obligations to international commitments we had signed. ... It was really quite impossible to accept the protestations of friendship of Mr. Stalin ... while Moscow Radio continued to blare without ceasing torrents of vilification and abuse against peoples who were so recently allies on a common battlefield."

1. War-Mongering Resolutions in the General Assembly

Action on Soviet Resolutions

In the course of the month, Soviet delegates to the General Assembly introduced several draft resolutions in committees of that body, asking that action be taken "against propaganda and the inciters of a new war." On October 7, the Social, Humanitarian, and Cultural Committee defeated a Soviet resolution (33 to 7, with 7 abstentions) whereby the General Assembly would have recommended to the Economic and Social Council a number of postulates concerning the principles and objectives of freedom of the press and information, to be considered in approval of the agenda of the Conference on Freedom of Information and of the Press to be held next year. It was generally felt that the provisions of this resolution had, in effect, been rejected by the subcommission on Freedom of Information last May, when the matter was under consideration, and that to reframe the proposed agenda now would delay the convening of the Conference for at least a year.

On October 22, the Political Committee opened general debate on a so-called "war-mongering" resolution submitted to it by the Soviet delegation, the text of which follows:

- "1. The United Nations condemn the criminal propaganda for a new war, carried by reactionary circles in a number of countries and, in particular, in the United States of America, Turkey and Greece, by the dissemination of all types of fabrications through the press, radio, cinema, and public speeches, containing open appeals for aggression against the peace-loving democratic countries.

- "2. The United Nations regard the toleration of, and - even more so - support for this type of propaganda for a new war, which will inevitably become the third world war, as a violation of the obligation assumed by the Members of the United Nations whose Charter calls upon them 'to develop friendly relations among nations based on respect for the principles of equal rights and self-determination of peoples, and to take other appropriate measures to strengthen universal peace' and not to 'endanger international peace and security, and justice.'
(Article 1, paragraph 2; Article 2, paragraph 3).
- "3. The United Nations deem it essential that the Governments of all countries be called upon to prohibit, on pain of criminal penalties, the carrying on of war propaganda in any form, and to take measures with a view to prevention and suppression of war propaganda as anti-social activity endangering the vital interests and well-being of the peace-loving nations.
- "4. The United Nations affirm the necessity for the speediest implementation of the decision taken by the General Assembly on 14 December 1946 on the reduction of armaments, and the decision of the General Assembly of 24 January 1946 concerning the exclusion from national armaments of the atomic weapon and all other main types of armaments designed for mass destruction, and considers that the implementation of these decisions is in the interests of all peace-loving nations and would be a most powerful blow at propaganda and the inciters of a new war."

Andrei Vyshinsky, who presented the Soviet resolution, said that it was "hardly necessary" to emphasize again the exceptional importance of this question. He pointed out that there were "individuals" who tried to conceal from public opinion the "threat impending over the world," consequent upon "the criminal intrigues of a clique of magnates of American capitalist monopolies inspiring propaganda of a new war." The next speaker at the opening meeting, Dr. Herbert V. Evatt of Australia, introduced an amendment to the Soviet resolution:

"That the draft resolution of the Soviet Union be amended by the addition of the preamble below and by the substitution of the four paragraphs below for paragraphs 1 to 4 of the Soviet Union resolution, the resolution as amended to read as follows:

"WHEREAS in the Charter of the United Nations the peoples express their determination to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to unite our strength to maintain international peace and security; and

"WHEREAS it is the intention of the Charter that armed force shall not be used, save in the common interest for the suppression of acts of aggression through the machinery of the Security Council, or in exercise of the inherent right of individual or collective self-defence against an armed attack until the Security Council has

taken the measures necessary to maintain international peace and security; and

"WHEREAS the Charter also calls not only for the promotion of universal respect for, but also observance of, fundamental freedoms including freedom of expression, all Members having pledged themselves in Article 56 to take joint and separate action for such observance of fundamental freedoms,

"THE GENERAL ASSEMBLY

- "1. CONDEMNS all forms of propaganda, in whatsoever country conducted, designed to encourage any act of aggression or the use of any measures for the purpose of aggression.
- "2. CONDEMNS all forms of propaganda, in whatsoever country conducted, which falsely imputes to officials or other responsible persons of any nation the desire of encouraging any act of aggression or the use of any measures for the purpose of aggression.
- "3. REQUESTS the Government of each Member to take appropriate steps to counter all such propaganda, not by restoring to any form of censorship of organs of expression, but
 - "(a) by taking positive measures to encourage the fair and accurate reporting of official and other statements affecting international relations made by officials or other responsible persons whether of the Member or any other nation;
 - "(b) by encouraging the dissemination of all information designed to give expression to the undoubted desire of all persons to avoid a third world war.
- "4. DIRECTS that this resolution be communicated to the forthcoming Conference on Freedom of Information, with a recommendation that the Conference seek to devise practical methods for carrying out the purposes of this resolution."

The Political Committee continued discussion on the Soviet resolution on the 23rd. The Canadian representative held that the resolution contained "various ideas, some of which are of a highly contentious character both in form and substance ... crowded into the small space of a single resolution." He asserted that the Canadian delegation believed that all propaganda, no matter what its source, if designed to provoke international ill feeling and especially if sponsored and directed by governments, was to be condemned. He said that efforts to maintain friendly relations with the courageous Soviet people had been discouraged when Canada learned that "false and misleading statements [had] appeared in the USSR press and radio about our country; statements designed to stir up ill feeling toward, and misunderstanding about our people, and which in that sense might be termed war-mongering."

The Polish delegate told the Committee that "the fact cannot be denied that elements exist which do not hesitate to advocate war as a means to solve international problems." He added that it was impossible to consider as serious the line of argument that prohibition of war propaganda was incompatible with freedom of press and speech, as with the same justice it might be held that incitement to any common crime could not be prohibited by law because of infringement upon freedom of speech.

The United States view was presented by Warren R. Austin, who called the Soviet proposal one "to put shackles on the brain of man as well as a gag in his mouth." He said in part:

"The proposal of the Soviet Union ... demanding suppression and censorship, ought to be rejected. It ought not to be given as much recognition as even to amend it. It is contrary to principle; it is bad policy. It diverts attention from practical programs for removing the real causes of war. The Charter repeatedly commits the United Nations jointly and severally to the promotion of human rights and fundamental freedoms. Freedom of speech is one of the most fundamental of human rights. It is so important in the theory of the people of the United States of America that it is regarded as a sill under the whole house without which the house would fall. This Soviet resolution is, therefore, in policy and principle a direct attack on the United States of America. It was not necessary to include in the resolution the name of the United States of America in order to advertise to all the world that the Soviet Union was making a direct attack upon the very foundations of all that keeps our Government free and assures to its people the blessings of true liberty. ..."

Austin went on to present a detailed critique of the Soviet resolution, and closed with the words: "Let us dissent to the resolution and get on with our work."

On the 24th, Austin, in a broadcast over a national hookup, explained the debate going on in the Political Committee and also in the Social Committee, where a resolution presented by Yugoslavia, "calling for suppression and censorship of 'slandorous' utterances" was under consideration. Austin said:

"... In both places we have called these propositions by their proper names--attacks on the very principle of free speech--and have strongly called for the outright rejection of them. We have no doubt that these reactionary demands for gagging speech will be repudiated by a resounding vote. On the other hand, we favor the free flow of information and opinion. The proper place for consideration of the rights and responsibilities of press and other means of communication is the Conference on Freedom of Information scheduled for next March. ..."

On the 25th general discussion on the Soviet resolution was closed after speeches by representatives of Australia, Syria, the United Kingdom, Yugoslavia, and the Soviet. A Venezuelan proposal to set up a subcommittee "to study proposals submitted concerning measures to be taken against propaganda and the inciters of a new war and to report back to the First (Political) Committee," was defeated by a vote of 29 to 12, with 12

abstentions. Colombia, Czechoslovakia, Poland, and the Soviet Union, among others, favored the proposal. The meeting was adjourned until the 27th, when the Committee, paragraph by paragraph, defeated the Soviet proposal, made less harsh by a Polish amendment that eliminated the accusations against "circles" in the United States, Greece, and Turkey. The Political Committee next accepted a resolution framed jointly by Australia, France, and Canada, by a vote of 46 of the 57 Committee members, which read:

"WHEREAS in the Charter of the United Nations the peoples express their determination to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to practice tolerance and live together in peace with one another and as good neighbors; and

"WHEREAS the Charter also calls for promotion of universal respect for, and observance of, fundamental freedoms, which includes freedom of expression, all members having pledged themselves in Article 56 to take joint and separate action for such observance of fundamental freedoms.

"THE GENERAL ASSEMBLY

- "1. CONDEMNS all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace, breach of the peace, or act of aggression.
- "2. REQUESTS the Government of each Member to take appropriate steps:
 - "(a) to promote, by all means of publicity and propaganda available to them, friendly relations among nations based upon the Purposes and Principles of the Charter;
 - "(b) to encourage the dissemination of all information designed to give expression to the undoubted desire of all peoples for peace.
- "3. DIRECTS that this resolution be communicated to the forthcoming Conference on Freedom of Information, with a recommendation that the Conference consider methods for carrying out the purposes of this resolution."

In a broadcast on the 27th, Austin spoke in enthusiastic terms about the agreement reached in the Political Committee on this joint resolution substituted for the Soviet proposal, saying:

"It is a genuine pleasure to be able to report the agreement reached on an issue which has stimulated such intemperate and abusive debate. This debate was centered on the resolution introduced by the Soviet Union imputing war-mongering to the United States, Greece and Turkey. The overwhelming rejection of these charges by the Committee, is, naturally, highly gratifying to us. This is particularly so since

the Soviet Union itself withdrew the paragraph of its resolution containing the charges directed at us and at Greece and Turkey. The Committee then proceeded to reject by large majorities the balance of the Soviet Resolution. It is especially significant that the Soviet effort to impose criminal penalties on the exercise of freedom of expression was defeated by a vote of 42 to 6. The Assembly's Political Committee has thus staunchly upheld the Charter's guarantees to respect fundamental human freedoms and the dignity and worth of the human person. The Committee's action, plus the numerous speeches warmly supporting the foreign policy of our government, should have an appreciative response in the heart of every American.

"The joint Australian, Canadian and French resolution is completely free of charges or imputations of guilt directed at any member state. Instead, it condemns all propaganda, wherever it is conducted, that is designed to encourage acts of aggression; and it requests governments to take appropriate steps, within its constitutional limitations, to encourage the dissemination of information which promotes the desire of all peoples for peace.

"... The resolution we passed today will be communicated to the Conference on Freedom of Information which meets in Geneva next March. That is as it should be. This Conference will seek to promote the freedom of information, not its suppression. It will seek to eliminate rather than encourage censorship and other restrictive practices. It will seek to promote self-discipline rather than criminal prosecution in the field of information.

Action on Yugoslav Resolution

At the same time that the Soviet Union was introducing "war-mongering" resolutions in Committees of the General Assembly, Yugoslavia suggested to the Social, Humanitarian, and Cultural Committee a proposal for the prevention of the dissemination of slanderous statements harmful to good relations between states. The resolution read:

"CONSIDERING:

"That organs and media of information (newspapers, news periodicals, news agencies, radio broadcasts and news reels) cannot usefully fulfil their mission in the international field unless they respect the truth without prejudice and spread knowledge without malicious intent, devote themselves to the service of international peace and security, and promote the development of friendly relations between peoples, based on respect for their independence, the equality of their rights, and their right to self-determination;

"That the publication and dissemination of false and tendentious reports and defamatory matter designed to aggravate relations between nations and incite them to war disturbs the atmosphere of friendship and mutual understanding between peoples and represents a real danger to the maintenance of international peace and security;

"That the question of freedom of information and of the press cannot be solved until an adequate solution has been found to the problem of the effective responsibility of the press and other media of information:

"THE GENERAL ASSEMBLY:

- "1. INVITES States to take urgent legislative and other measures to establish the responsibility of the owners of media of information, and of their directors or contributors, who publish or spread false and tendentious reports calculated to aggravate relations between nations, provoke conflicts and incite to war, or who take part in defamatory campaigns based on false news and directed against another State or another nation:
- "2. INVITES States to take measures to prevent the publication and dissemination through the channel of governmental or semi-governmental bodies, of reports or news which have not been carefully and conscientiously verified."

At the opening of debate on this resolution, representatives of Chile, the United States, Panama, France, Sweden, and Greece spoke in opposition--holding generally that the substance of this proposal would be discussed in full by the Conference on Freedom of Information, scheduled to commence in Geneva on March 23, 1948. Byelorussia favored Yugoslavia, pointing out that the suggestion provided a remedy for a critical situation. An alternative resolution was introduced by the French representative, calling on the member governments to consider the issue raised by the Yugoslav resolution and to communicate any recommendations thereon to the Geneva Conference.

Mrs. Franklin D. Roosevelt, speaking for the United States, asked that the committee reject the Yugoslav resolution because such a proposal had "already been rejected, in principle, by this committee through action which it [had] previously taken on the agenda of the Conference on Freedom of Information, which was drawn up after full discussion of the issues now before us." She also observed "a remarkably similar proposal" of the Soviet Union that was under debate in the Political Committee. Answering Yugoslav charges that the British, French, and United States press had deliberately distorted news of his country, Mrs. Roosevelt said in part:

"I'm the first to acknowledge that from time to time things are said in the United States by irresponsible persons and press organs which might better be left unsaid ... However, much as I hate what some of our press has said in the past at times, I would defend their right to say it. And I would feel that it was up to the people to choose between different views. The right of people to speak is essential.

"The problem raised by the Yugoslav proposal is a matter of serious concern to the United States and my Government is anxious that this problem be faced frankly and squarely.

"For months a systematic campaign of propaganda has been waged by and in certain countries against the United States and other democratic nations which share our fundamental beliefs. This campaign is designed to estrange existing feelings of friendship ...

"The people of the United States have given those things they have produced with their own hands--foodstuffs, coal and manufactured goods--to nations which have been made hungry and needy by the war, in order that those nations may again become economically strong and politically independent. Yet there is propaganda that the United States is not a sincere friend because its intentions are selfish and evil. ...

"The chief element of concern to my Government in this situation is not that the United States is being criticized or maligned. ...

"What is of grave concern to my Government is the growing practice of erecting tight, government monopolies over the information disseminated in many nations of the world. ... A careful selection of items is made to build up the desired general picture and the rest of the news is frequently omitted or distorted. ...

"In the opinion of the delegation of the United States, the remedy to the existing situation does not lie as the Yugoslav resolution implies, in further curtailment of freedom of information. Rather, it is to be sought in a vast expansion of freedom of information, both internationally and domestically and a breaking down of the monopolies and inadequacies of information which now exist in varying degrees almost everywhere in the world."

On the afternoon of the 25th debate was resumed on the Yugoslav draft proposal and the alternative French suggestion. Guatemala moved that all resolutions before the Political Committee and the Social Committee be referred to a joint session of the two in order to prepare a consolidated text for submission to the General Assembly. Decision, however, on this proposal was delayed, and general debate continued with Yugoslavia, Egypt, and the Soviet supporting the Yugoslav resolution; and Belgium and India, the French proposal. The Soviet delegate stressed the importance of the problem raised by Yugoslavia and said it was of immediate urgency inasmuch as the international scene was being poisoned by slanderous reports that incited hatred of certain countries. He cited specific examples in English, Swedish and United States newspapers, and said that the Yugoslav proposal, instead of limiting the freedom of the press, would increase its prestige and make it more truthful and objective.

The United Kingdom, at the Committee meeting on the 27th, called for the rejection of the Yugoslav draft resolution and the withdrawal by the French of their proposal. Argentina announced its support of the French, while Poland supported both proposals. Debate continued for the next two days. Finally, on the 29th, Yugoslavia withdrew its resolution in favor of the French proposal (as amended by Belgium, Mexico, and Luxembourg). This latter was adopted by a vote of 49 to 1 (Cuba), with 7 absent. The resolution as finally decided upon read:

"THE GENERAL ASSEMBLY

"CONSIDERING that under Article 1 of the Charter, Members are bound to develop friendly relations amongst themselves and to achieve international co-operation in promoting and encouraging respect for human rights and fundamental liberties;

"that to attain this end it is essential to facilitate and increase the diffusion in all countries of information calculated to strengthen mutual understanding and ensure friendly relations between the peoples;

"that substantial progress in this sphere can be achieved only if measures are taken to combat within the limits of Constitutional procedure ... the publication of false or distorted reports likely to injure friendly relations between States;

"I. INVITES the governments of State Members

"(1) To study such measures as might with advantage be taken on the national plane to combat within the limits of Constitutional procedure the diffusion of false or distorted reports likely to injure friendly relations between States;

"(2) To submit reports on this subject to the Conference on Freedom of Information so as to provide the Conference with the data it requires to enable it to start its work immediately on a concrete basis.

"II. RECOMMENDS to the Conference on Freedom of Information that it study, with a view to their co-ordination, the measures taken or advocated in their connection by the various states as being relevant to the discussion of item 2 (d) and 5 (c) of Section II of its provisional agenda."

Mrs. Roosevelt asked the Soviet Union to end its series of charges against the "war-mongering" United States press, to acknowledge the differences between Eastern and Western countries, and to attempt to find means of co-operation. She said:

"I don't expect the millenium immediately, but I expect, hope and pray that we will see a gradual increase in good-will rather than continual backward and forward telling each other what dogs we are and how bad we are."

She agreed, for the United States, to accept the French compromise resolution as the first step toward understanding with the Soviet Union.

2. Brazilian and Chilean Break with the Soviet Union

Relations between Brazil and the Soviet Union became strained when attacks on the Brazilian President, Eurico Dutra, appeared in the Soviet press. Foreign Minister Raul Fernandes confirmed on October 14

that an official protest had been made to Moscow, adding that, while there was no immediate intention to sever relations, "the question may arise from the terms of the Soviet reply." On the 21st, the Brazilian Government formally announced that it had broken diplomatic relations with the Soviet Union, Fernandes declaring that there was no political motive for the break, which resulted from "slandorous attacks by the Russian Government against Brazil" and that "our honor demanded that we act as we did." The Brazilian Foreign Ministry explained its action in a statement published on October 21, the text of which follows:

"The Literary Gazette, published in Moscow, has printed an extremely outrageous article against the Chief of State and the armed forces of Brazil. It is universally known that the Soviet Press is rigorously controlled by the Government, whose responsibility therefore covers virtually everything published in the country.

"Consequently the Foreign Ministry ordered the Brazilian Ambassador in that capital to present to the Soviet Foreign Ministry a note protesting the offense and asking satisfaction, with the declaration that without this it would be impossible to continue diplomatic relations, at least correctly, between the two governments.

"This note was returned without reply under the false pretext of being written in unfriendly terms. In view of these facts the Brazilian Government has decided to break relations with the Soviet Union."

In its note to the Soviet Government, Brazil charged that the article which gave rise to the protest was the culmination of a series of attacks, and it therefore appeared "that there was established the purpose to provoke us freely." In refusing to reply to the earlier communiqué, which, the note said, "although full of just indignation against the aggressive journalist and full of energetic protest, was written in polite terms in its reference to the Soviet Government," the Soviet Union "gave to that lamentable occurrence an end which signifies the unimportance of relations that we painstakingly tried to maintain and cultivate."

Pravda charged that "reactionaries" who had "obediently followed the will of their foreign masters" were responsible for this break in relations, declaring that Brazilians had lost their heads over the article in which President Dutra was described as a "warmonger," and that the paper in which it appeared was not an official organ of the Government. Pravda further declared that by severing relations "they once more proved that they put service to leaders of international reaction above the national and state interests of Brazil."

Simultaneously with the announcements of the severance of diplomatic relations between the two countries, the U. S. Department of State revealed that the United States had agreed to a Brazilian request that it should represent Brazil's interests in Moscow.

On the same day (21st), Chile also broke its diplomatic ties with Moscow and, in addition, with Czechoslovakia. In a note handed to the Soviet Ambassador at Santiago, it declared:

"The Government of Chile has reached the conviction that events which have disturbed the public quiet of Chile in the last months have had as a determining cause the instigations of international Communists, exercised directly or through Chilean groups related by affinity. Such instigations respond to the whole system of political action and international penetration directed from the U.S.S.R.

"Such a conviction, together with the unavoidable obligation to maintain public order and a democratic constitutional regime which the people of Chile freely gave themselves, does not permit my government to continue maintaining relations with a country which has inspired such serious attempts against the political independence of the republic and endangered the very life of the nation."

The Czechoslovakian Foreign Office issued a statement on the 22nd asserting that Chile had broken off relations for "obviously imaginary reasons" and expressing regret at this departure from "international rules adopted for relations between civilized countries." A Foreign Office spokesman described Chile's action as a "complete surprise" emphasizing that the Government was "conscious of [its] innocence of any interference with the internal affairs of any South American country."

The Foreign Minister of Costa Rica advised the Brazilian Government on the 22nd of his country's "absolute support" of the action Brazil had taken against the Soviet Union.

Press reports from Buenos Aires the same day stated that the Argentine, although urged to do so by Brazil and Chile, had decided not to follow their example and break with the Soviet Union, President Peron and his Foreign Minister having decided to support what they considered to be the United States view that the best defense against Communism was the rebuilding of Western Europe.

Commenting on Chile's break with the Soviet Union, Tass charged on the 23rd that the Chilean Government was "following along the same Fascist path as the Government of Brazil," adding that, while it "would not inflict any material damage on the Soviet Union," it would place Chile "in a position of still greater economic dependence on foreign capital."

IV. SECURITY PROBLEMS

A major aspect of United States national security policy was set forth by Secretary of National Defense Forrestal in a speech in New York City on October 21. In his first important public statement as the new Secretary of National Defense, Forrestal declared:

"America must remain strong in order that there may be a center around which equilibrium of international relationships can be re-established.

"The external world is not now in equilibrium. Two systems, two attitudes toward the government of men, are still searching for the means by which they can come to accommodation. Between them lie the great vacuums of Europe and of China, both pulsing with energy and life, but both desperately needing time to organize in order that they may again take their place in the comity of nations and in the world system. ...

"Equilibrium of balance of power is essential in the world, both within the framework of the United Nations and outside it. Balance of power really means that men who want to live in a society of law, of justice, rather than in a world ruled by force, recognize that adjustment between differing ways of life and different forms of government, requires constant negotiations and continuing effort to prevent frictions needlessly developing into conflict. ...

"It seems to me that men must face the fact that equilibrium or balance of power rather than any single formula of either politics or economics is the answer to an orderly and decent world. ...

"I have taken this thesis of equilibrium as a control point of my remarks because it is in that framework that I want to emphasize the need for keeping a strong America--an end result on which I believe the great majority of our citizens are in agreement.

"The purpose in our maintenance of a military organization of the first rank is solely and completely for the purpose of giving the world time to achieve stability. That also is the objective of our diplomacy and of our economic action. ..."

A. ORGANIZATION OF A SYSTEM OF COLLECTIVE SECURITY

Second Regular Session of the General Assembly

The activities of the General Assembly during the first part of October were largely concentrated in the work of its committees, and many of these activities have been covered in other appropriate sections of this Summary. Public attention was especially focused on the work of the Assembly's Political Committee, which dealt with the Soviet "war-mongering" resolution and the United States proposals on the Greek situation and the

Interim Committee, and on the deliberations of the Special Assembly Committee on Palestine.

Plenary sessions of the Assembly were resumed on October 20, in order to consider and take action on a number of proposals recommended by the Assembly's Committees. Further balloting for the remaining vacancy in the Security Council took place, but the deadlock continued in the choice as between India and the Ukraine.

At the close of the month, many of the leading problems before the Assembly when it convened in September still remained untouched. Among the major political items still to be dealt with were proposals for the modification of the veto, international control of atomic energy, and regulation of conventional armaments.

1. Modification of the Veto Provisions

a) Admission of New Members

Security Council Action on Italy and Satellite States

Meeting on October 1, the Security Council continued its consideration of applications for membership in the United Nations from Italy, Hungary, Rumania, Bulgaria, and Finland. The admission of Bulgaria was opposed by the United States because of Greek border violations of which Bulgaria had been found guilty by the Balkan Investigation Commission and because of the "wave of political arrests of the opposition leaders and the trial and execution of Nikola Petkov." Poland defended Bulgaria and accused the United States of inconsistency in opposing Bulgaria's membership in the United Nations while resuming diplomatic relations. The Soviet Union charged the United States and the United Kingdom with violation of the Potsdam agreement, which was thought to bind the Big Three to support the applications of the satellite states when the peace treaties came into force. This was denied by Great Britain as a misquotation of the language of the Potsdam agreement, which laid no such obligation on the signatories.

The Soviet Union and the United States both declared Finland to be qualified for membership, but the Soviet opposed separate consideration of any of the five states.

After long procedural debate it was decided to vote separately on the applications. Italy and Finland received identical votes--9 in favor, 2 against, with the Soviet Union's adverse votes constituting vetoes on each of the countries. Results of the other three ballots were: Hungary: 5 in favor, 6 abstaining; Rumania: 4 in favor, 7 abstaining; Bulgaria: 1 in favor, 3 against, 7 abstaining. The United States abstained on all three.

In a radio address on the 1st of the month, Warren R. Austin, U.S. delegate to the United Nations, spoke of the admission of Pakistan and Yemen into United Nations membership on the previous day. He then mentioned "other applicant states that are well qualified for membership" that had been barred from the United Nations by a Soviet veto--Italy,

Austria, Ireland, Portugal, and Transjordan. "Thus," he said, "five truly qualified applicants, by action of one State, have been temporarily blocked from joining the United Nations." Particular attention was given to Italy, which had been approved for membership by all the Security Council, including the Soviet Union, but had been vetoed nevertheless. He concluded:

"The United States believes that the Assembly should, at this session, request the Security Council to reconsider promptly the applications of the five States which qualify for immediate admission. ... The Security Council should report on these applicants during the current session of the Assembly. Our hope is that before this Assembly adjourns, we shall be able to receive into the membership of the United Nations all the present applicants that are truly qualified."

2. Establishment of an Interim Committee of the General Assembly

Debate on the Proposal in the Assembly

The Political and Security Committee of the General Assembly undertook consideration of the United States proposal to establish an Interim Committee composed of all the members of the United Nations on October 14. This proposal was originally set forth by U.S. Secretary of State Marshall in his address to the Assembly on September 17.

In the opening debate the United States delegate, John Foster Dulles, emphasized the "direct responsibilities for international peace and security" belonging to the General Assembly, subject to the "primary responsibility of the Security Council." He cited the provisions of the Charter bestowing on the Assembly various powers relating to the maintenance of international peace and security, promotion of international co-operation, and assistance in the peaceful adjustment of threatening situations. It was pointed out that the "grave problems" and "mounting responsibilities" of the Assembly consequent upon international uncertainties and tensions were likely to cause the neglect of "the social, economic and human rights tasks" for which the Assembly is also responsible. Dulles added:

"If this session deals competently with its present agenda before most of the delegates have to return home, that will only be because there are available the studies made by the Palestine Committee and the Greek Border Committee while the General Assembly was not in plenary session. I suspect that, before we adjourn, we shall all wish that more preparatory work had been done and that it had been participated in more generally. It is clear that if, for 10 months of the year the doors of the Assembly are closed and Assembly work ceases, the Assembly will fail in its duty."

One solution for this difficulty, he said, "would be for the General Assembly itself to stay in plenary session for the greater part of each year." This he thought unnecessary, because it was the preparatory work that was time-consuming and because the leading statesmen who meet in the Assembly could not spare so much time from their other duties. Another solution was the establishment of an Interim Working Committee which "would be available

to study matters relating to peace, security, and friendly relations which are committed to it by an expiring session or which are to be on the agenda of the next session," and this was the procedure that the United States believed should be tried. Dulles continued:

"... Accordingly, we propose that when this Assembly adjourns, it should leave in being an interim committee with four major substantive functions.

"A first function would be to consider matters in relation to the maintenance of international peace and security and friendly relations among nations which may be listed with the Secretary General for inclusion on the agenda of the next regular session. As to such matters, the Interim Committee, in aid of the work of the General Assembly, would consider the subject, investigate the facts, and make its views available to the next session of the Assembly. If it felt that any matter was so urgent as to require a special session of the Assembly, it could so advise the Secretary General. These functions might be called 'preparatory functions'.

"As a second function, the Interim Committee would be available to discharge 'follow through' functions. Thus, if this present session of the General Assembly makes recommendations in relation to international peace and security and friendly relations which call for continuing attention, the General Assembly might in particular cases assign that responsibility to the Interim Committee.

"A third function of the Interim Committee would be to get under way the work necessary to enable the General Assembly to make recommendations regarding the general principles of cooperation in the maintenance of international peace, as contemplated by Article 11(1) of the Charter, and initiate studies for the purpose of promoting international cooperation in the political field. The Charter (Art. 13(1)) requires the General Assembly to undertake this latter task.

"The fourth function of the Interim Committee would be to study and report to the next regular session of the Assembly on the advisability of establishing the committee on a permanent basis. We frankly recognize that what we propose is an experiment. One of the important results to come out of the work of the Interim Committee during the coming year will be its own conclusions and the judgment of the next Assembly as to whether or not the committee serves a useful purpose. We have no doubt what that judgment will be, but we realize that a year's experience will help to make clear what should be the precise powers, functions and procedures of a standing Interim Committee.

"Our proposal, of course, contemplates that the Interim Committee shall respect fully the primary responsibility of the Security Council for the maintenance of international peace and security. Thus, it would not study or deal with any dispute or situation which at the time was on the agenda of the Security Council. Also, our proposal stipulates that the Interim Committee shall not encroach upon the work

of any committees or commissions set up for particular purposes by the General Assembly or the Security Council, as, for example, the Atomic Energy Commission and the Commission for Conventional Armaments. We suggest that the Interim Committee should follow the procedural practices of the General Assembly so that important activities would require the concurrence of two-thirds."

The proposal was immediately attacked by Soviet Deputy Foreign Minister Vyshinsky as "nothing but an attempt to establish a committee which would be parallel to the Security Council and which would amount to an attempt to circumvent or to eliminate the principle of the unanimity of the great powers."

A separate British proposal, a modification of the United States plan by placing greater restrictions on the activities of the Interim Committee, was made public on October 16 and presented to the Political and Security Committee on the following day. The chief differences were a requirement that all action (not merely "important activities") be taken by a two-thirds vote instead of a majority; a second requirement that investigations "to take place elsewhere than at the headquarters of the United Nations" must have the consent of the countries involved, and the omission of authority to "initiate studies and make recommendations for the purpose of promoting international co-operation in the political field." The Soviet Union, however, continued to oppose any such plan as a violation of the Charter and rejected all attempts at compromise.

On the 18th it was voted to set up a subcommittee to study the plan and amendments that had been offered. The Soviet bloc (Soviet Union, Czechoslovakia, Yugoslavia, White Russia, Ukraine, and Poland) declined to take any part in either the vote or the membership of the subcommittee. Those appointed were: Argentina, Australia, Bolivia, Canada, China, France, India, Lebanon, Mexico, the Netherlands, Norway, the United Kingdom, and the United States, with seats assigned to Czechoslovakia and the Soviet Union despite their refusal to participate.

In the subcommittee the main debate centered around the questions of the two-thirds voting requirement, whether the Interim Committee should be empowered to consider "disputes" as well as "situations," and whether the proposed body should be authorized to consider problems on the Security Council's agenda but not being actually dealt with. The United States proposal to admit items to the Interim Committee's agenda by a simple majority was defeated by a vote of 7 to 3, with 3 abstentions--only Argentina and Canada voting with the United States. France and China favored restricting the new body to the consideration of "situations," since "disputes" fell within the competence of the Security Council which had the exclusive power of taking "urgent measures" in a dispute. Despite this effort to narrow the Committee's powers and ensure no confusion of them with the Security Council, the subcommittee finally voted, 8 to 3, with 2 abstentions, to allow the Committee to consider "disputes." Australia made strenuous efforts to empower the Committee to take up disputes lying dormant on the Security Council agenda, but the subcommittee voted against the proposal, in deference to the fears of many delegates that the Interim Committee might encroach on the functions of the Security Council.

The subcommittee completed its work on October 30, emerging with a proposal still very similar to that originally put forward by the United States for an Interim Committee, composed of all members of the United Nations, to be in session during the recess of the General Assembly to discuss problems of peace and security, to appoint commissions of investigation by a two-thirds vote, and with the consent of the states where they intended to make a study.

3. International Control of Atomic Energy

Lilienthal Views of Nonmilitary Uses of Atomic Energy

David E. Lilienthal, Chairman of the United States Atomic Energy Commission, speaking to a gathering in Detroit on October 6, said that "the first commercially practical atomic power plant is not just around the corner." He emphasized the "international importance" of making that point clear because of reports being circulated in foreign countries by "those unfriendly to American democracy" that if the United States were not blocking the use of atomic energy as a source of heat and energy many European industries would not be forced to shut down. "This story," he declared, "is completely without foundation ..." adding further:

"In point of fact, the immediate importance of the discoveries concerning nuclear fission does not seem to me to be as a new source of electricity and heat at all. That immediate importance, it seems to me, lies rather in the fact that here is one of the most powerful levers that has ever come to the hand of man by which he can pry open new doors of knowledge, long closed to him, new fundamental knowledge about the nature of matter and life itself. ...

"The final question is that of a time estimate. Just when will the first atomic power plants begin to appear? How fast can the industry grow? ...

"As our staff, advisors and contractors see it now, it will be a long hard grind. The most common estimate or guess is from eight to ten years to overcome the technical difficulties and have a useful practical demonstration plan in operation. ...

"I can go one step farther and say explicitly a thing which probably is already obvious to you from all that I have said before. This is: there is not any reason to expect that an atomic energy industry will spring into being overnight and make its appearance as a colossus upon the national scene, displacing at once the power industries which now serve us and disrupting in a few years the whole pattern of our economy. It will almost certainly follow the course of supplementing rather than supplanting existing economical sources of energy supply. Our judgment is that clearly no one should delay sound and economical additions to power supply, whether by fuel-generated electricity or water power, because somewhere

in the future atomic energy will come on the scene as an additional source of supply. There will certainly be ample time to make whatever adjustments may be needed."

U. S. Information Policy Statement

The U. S. Atomic Energy Commission delineated its information policy in a statement made public on October 25. In answer to requests received from scientists for such a statement, the Commission first cited the declaration of policy in the Atomic Energy Act of 1946, which said:

"It is hereby declared to be the policy of the people of the United States that, subject at all times to the paramount objective of security, development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace."

This policy was elaborated in the new statement as follows:

"First, to withhold that information whose premature disclosure would aid in the development of, or shorten the time of development of atomic energy for destructive purposes by any nation which is not willing to pool its development effort with other nations in order to provide--in the words of Mr. Baruch--'the mechanism to assure that atomic energy is used for peaceful purposes and preclude its use in war.'

"Second, to aggressively disseminate that information which is necessary to the understanding by our people of the portent of atomic energy, that information which is vital to the training of the men and women on whom we must depend if we are to realize the promise of atomic energy, and that information which is essential to the development of a strong and virile atomic industry in the wake of an inspired science.

"At no point and at no time are these responsibilities separable. Their application requires that restriction be placed upon the free publication of scientific papers, in the fields of both applied and fundamental research. It appears from the program of declassification that the restriction upon publication of fundamental research permits a proportionately greater dissemination of basic science. The restrictions apply wherever scientific research is performed as a part of the United States Atomic Energy program, both in facilities owned by the Government and in contractors' facilities.

"Scientists in this program are encouraged to prepare adequate reports of their work and to publish their observations and conclusions as widely as possible. Prior to publication, however, their papers must be 'declassified'; that is, measured against a declassification guide which defines the areas of information which can be released at this time without prejudice to the security of the United States."

B. OTHER ASPECTS OF UNITED STATES MILITARY SECURITY

Universal Military Training

General Dwight D. Eisenhower, Chief of Staff of the United States Army issued a statement in Washington on October 21 in which he endorsed the principle of universal military training as a fair method of providing for American defense. He said:

"The fundamental principle of democracy is equality--equality of burden as well as equality of opportunity. Where the defense of our country is concerned, this principle imposes on each American the duty of service in the manner most effective for the preservation of our way of life.

"Selective Service was its wartime application. Its logical peacetime application is universal military training, an equitable method of preparing the citizen for his personal defense responsibility so that--should war come again--it shall not find us unready.

"So long as the use of force has not been forever and effectively barred from international relationships this responsibility must be met soberly and seriously by the United States. Universal military training, as proposed by the President's advisory commission, is an important clause in American democracy's insurance policy against extinction by war."

On the same day, Secretary of National Defense Forrestal, in a statement in New York, pointed out that:

"As a democracy we do not start wars, and therefore we can never be in a state of absolute readiness--it is only the men who plan wars who keep completely ready. We must rely, then, upon the best general preparation that we can devise so that our young men, in case of a war--which you can be assured will come with lightning speed--will not be called upon to fight without adequate training. ..."

But Forrestal warned that:

"Universal military training is not the only requirement for our security. A prosperous aviation industry, a vigorous merchant marine, an educated and informed public, a people ever gaining in health, these are all essential to our safety."